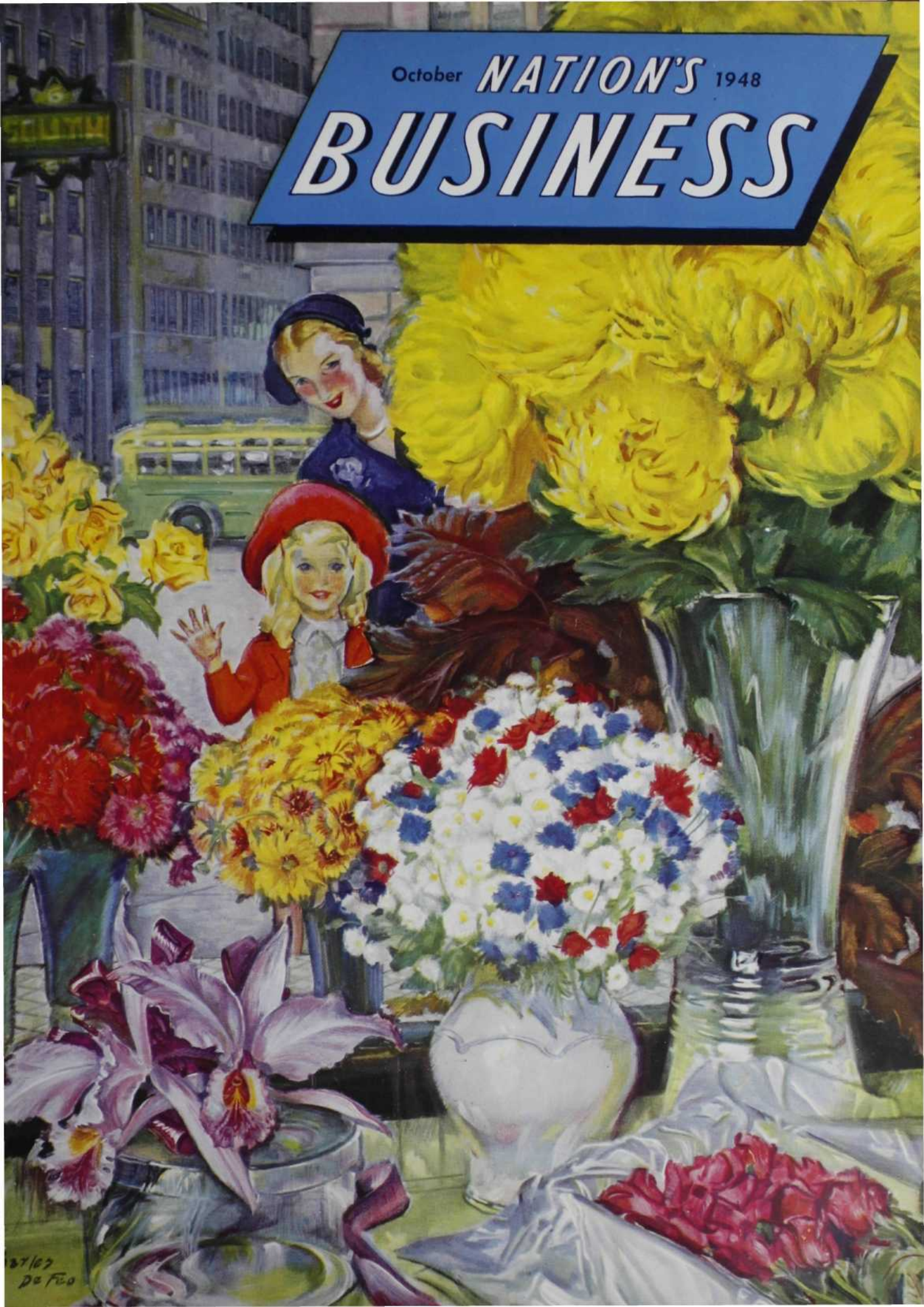


October *NATION'S* 1948

# *BUSINESS*



27/62  
Do Feo



# problem... solution

Ordinary paints quickly deteriorate when subjected to chemical fumes and other corrosive conditions found in many industrial plants. To solve this problem, many well-known paint-makers developed special finishes based on Parlon®—Hercules Chlorinated Rubber. This product of Hercules creative chemistry produces finishes that resist moisture, alkalis and many acids, helping to cut maintenance costs of metal, wood and concrete structures.

# result...

\*THE WORD PARLON IS REG. U. S. PAT. OFF.



67-9



\* **TO PRODUCE CORROSION-RESISTANT PAINTS...** another development utilizing Hercules chemical materials. The free book, "A Trip Through Hercules Land," describes other uses of Hercules chemicals.



## HERCULES

HERCULES POWDER COMPANY

947 Market Street, Wilmington 99, Delaware

CHEMICAL MATERIALS FOR INDUSTRY





*have gone over*  
**"These tires look good for  
 100,000 miles"**

*A typical example of B. F. Goodrich improvement in tires*

NOR long ago a letter came in to Akron from Mr. W. A. Bacon, Los Angeles Western District Manager for United Van Lines. He told about their Van No. 152 which had traveled 89,337 miles through practically every state—with the two original B. F. Goodrich tires still on the front end. This tractor and semi-trailer operates in all kinds of weather and is rarely in a garage.

With an unusual mileage record like that, photographs were requested. The pictures came back—with a note from the photographer saying that the speedometer was on its second trip around,

The tires shown above have now gone 102,259 miles!

High mileages such as this are rare even with B. F. Goodrich tires. It takes good tires plus proper maintenance plus careful driving with perhaps a little luck thrown in to get that kind of mileage.

But reports of *above average mileage* come in regularly from users of B. F. Goodrich truck tires.

One of the reasons is the nylon shock shield used in all large size (8.25 and up) B. F. Goodrich tires. Nylon shock shields absorb the impacts, protect the rayon cord body. Truck owners get a four-way saving: (1) Average

tire mileage is increased, (2) Tires have greater resistance to bruising, (3) There's less danger of tread separation, (4) A greater number of tires can be recapped.

The development of truck tires with a nylon shock shield is typical of the constant improvement being made in all types of tires by B. F. Goodrich. Remember, *only* from B. F. Goodrich can you get truck tires built with nylon shock shields. *The B. F. Goodrich Company, Akron, Ohio.*

*Truck Tires* BY  
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Look at the finest! 4-SPEED SYNCHRO-MESH TRANSMISSIONS and SPLINED AXLE HUB CONNECTIONS for new heavy-duty truck operation . . . ADVANCE-DESIGN GEARSHIFT CONTROL and FOOT-OPERATED PARKING BRAKE for greater ease and convenience in models with 3-speed transmissions . . . IMPROVED VALVE-IN-HEAD ENGINE for new champion efficiency . . . SUPER-STRENGTH FRAMES . . . HEAVIER SPRINGS . . . SPECIALLY DESIGNED BRAKES . . . Many others!

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Never before a "look" like this! New Chevrolet trucks are styled to standards of the future, bringing you ADVANCE-DESIGN in every feature from front to rear—roof to road! Here's the fleetness of flowing lines—from headlight to tail light; the bigness of built-in massive strength—from bumper to bumper! Here is greater utility, too—styling to space for larger loads—saving in cost through fewer trips. Yes, all the way from looks to loads, they're trucks that leaders will like!

CHEVROLET

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\*Fresh air heating and ventilating system and rear-corner windows available at extra cost.

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World's largest producer of trucks—in 109 standard and special models on 8 different wheelbases—only Chevrolet brings you the added advantages and the extra value of Advance-Design. And it's the leader, too, who offers you triple economy—the traditional value and greater savings of Chevrolet's famous 3-way thrift—low cost of ownership, low cost of operation and low cost of upkeep. See your Chevrolet dealer. He's a truck specialist, ready and able to provide a truck that brings you TRANSPORTATION UNLIMITED!

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DETROIT 2, MICHIGAN

*Advance-Design*

# CHEVROLET TRUCKS





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# Nation's Business

PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 36

OCTOBER, 1948

NO. 10

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## Viewpoint for Successful Plant Location



### New Hampshire

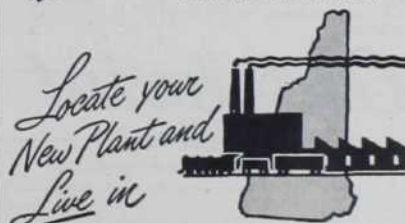
*"Where there's a Plus in every pay envelope"*

Nearness to markets, fine transportation, low power rates, highways of year-round excellence . . . New Hampshire has them all . . . *plus* another advantage that will pay you dividends!

Today it is increasingly recognized that employees who have less fight to "live" have more work to give. In New Hampshire's industrial areas workers own their homes, have well tended gardens, and enjoy intimate acquaintance with some of the most beautiful recreation country in the world. You can depend on New Hampshire workers, for those who live well . . . work well!



USEFUL to you will be the informative booklet, "A Plant in New Hampshire." Address: Merrill J. Teulon, Industrial Director, 309 State Office Building, Concord, N. H.



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# About Our AUTHORS

**T**OO MANY plans for long-range tax revision ignore the need for doing a thing which President Wilson described in setting up the Federal Reserve Board: "We shall deal with our economic system as it is and as it may be modified—not as it might be if we had a clean sheet of paper to write upon." **ARTHUR A. BALLANTINE** does not make that mistake. As under secretary of the Treasury during part of Hoover's Administration and the beginning of Roosevelt's, he had an opportunity for expert study of tax matters, a study he has continued as a member of the New York law firm of Root, Ballantine, Harlan, Bushby & Palmer. His article in this issue shows what can be done to make taxes fair but adequate under conditions as they are.

**THE FACT** that a foreign waiter may spill gravy on a guest or a British hotel man works until midnight completing government forms may seem unimportant in a time of world crisis—or it may not. **RALPH BRADFORD**, executive vice president of the United States Chamber of Commerce, finds it significant. In Europe to attend a meeting of the International Chamber of Commerce, he visited England, Scotland, France, the Netherlands, Belgium and Switzerland. Everywhere he talked to people. Returning home, he is convinced that bales of goods and stacks of statistics will not make a Marshall plan. It's his opinion only people can do that.

**ACCORDING** to **JOHN KORD LAGEMANN**, he was born a long time ago in Quincy, Ill.—while public attention was distracted by the appearance of Halley's Comet. For the benefit of all concerned, we found that this particular comet reappears every 76.02 years and that the next showing takes place in 1986. This, our lightning calculator tells us, makes Lagemann 38 or thereabouts. And it turns out that he is equally evasive about his career: "I've been writing ever since I can remember and why I adopted it as a profession I don't know." Nevertheless, the man can write. Even as a junior in the University of Geneva he was taking on ambitious assignments—like covering the League of Nations for the *Boston Evening Transcript*.

Today, Lagemann is on his own, and doing well.

**IN 1938** after a successful law career of some 30 years during which he specialized in handling reorganization problems—especially those in the field of banking—

**ROBERT N. DENHAM** considered retiring to Florida. He thought about getting back in the cattle business on some property he owned there. First, however, he agreed to become a trial examiner for the National Labor Relations Board and to hear one or two cases. The ranching plans never materialized. Denham stayed on as an examiner until July, 1947, when President Truman appointed him general counsel of the Board under the new Taft-Hartley Act.



**USUALLY** when an industry falls from the good graces of the public it is because of objection to industry and management policies. However, in the case of movies, the policies, for the most part, are excellent. It is the actions of individuals that people find distasteful. This unique paradox aroused our interest in the possibilities of an article on the public relations dilemma facing motion pictures. In scouting for a man to do the job we ran smack into **BOSLEY CROWTHER**, movie critic for the *New York Times*. Not only was the subject to his liking, it was one to which he had given considerable thought and about which he had talked with men in the industry.

**REPORTING** for *NATION'S BUSINESS* on little-known industries that play an important part in our lives has become a sort of specialty with **LAWRENCE GALTON**. Not so long ago it was spices, and before that it was the match. This month he turns to the medical field. Galton, who has devoted his time to free-lance writing since his discharge from the Army in 1946, met his wife when, as an associate editor of *Coronet*, she bought his first national magazine article. Today, she has her own literary agency and Larry is a client.



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and increased profits  
with  
American Airlines  
**AIRCONOMY PLAN***



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No longer do I pay heavy storage and warehousing costs on merchandise piled up on regional stock-piles that represent frozen capital. I keep little more than samples in the field—and fill orders overnight by American's Airfreight. We sell our complete line, fill re-orders promptly. Retailers are more than pleased, too—they can keep close control of their inventories and avoid big mark-downs. Airfreight is a regular day-in, day-out proposition with our company—the basis of our marketing policy."

**"I travel by air..."**



I'm a confirmed air traveler, and my sales force and all traveling personnel are also regular users of air transportation. Our men cover more ground in less time and are producing more orders. Morale is at a new high. And our savings in man-hours add up to important money. We're about to go into a new territory that we hesitated to enter because we didn't think we could afford to set up a new office. With air travel, we can easily afford to service the territory."

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[This statement is typical of many enthusiastic endorsements American Airlines has received since the Airconomy Plan was introduced last April.]

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Atch Top & S F	Northern Pac Ry
Bethlehem Steel	Ohio Oil
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Chase Natl Bank	Phelps Dodge
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General Electric	Union Pacific R R
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Great Northern Ry	U S Steel
Kennecott Copper	Woolworth Co (F W)

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\* When we offered similar studies before, we were gratified by the response, except that—well, it was a little too enthusiastic in a few cases. Some people asked for the whole set. We'd appreciate it if you held requests down to those companies—maybe a half dozen or so—in which you are seriously interested.

# NB Notebook

## Business questions

**I**N THIS final quarter of the year two rather vital business questions will approach answers. One has to do with the extent of rearmament orders and the other with consumer purchasing.

It was indicated early last spring, as the crisis with Soviet Russia became acute, that plans for rearmament would precede actual orders, and that the orders would not begin to roll in volume before the final months of the year. Appropriations were liberal, in keeping with the emergency abroad.

Rearmament expenditures are shrouded in a necessary degree of secrecy but evidence of productive response so far, except in the aircraft industry, has been lacking. Manufacturers would be quick to tell customers of the receipt of such orders, it is believed, if they were being received.

When commodity prices slumped last February it was the combined effect of rearming, Marshall plan aid and tax reduction which bolstered business sentiment that had begun to droop in fear of the predicted readjustment. Rearmament was probably the principal factor in restoring confidence.

Turning to the ordinary business of citizens, the fourth quarter is usually the best quarter in point of retail volume. A vast amount of merchandise will be sold in the holiday shopping season but the question is whether previous figures will be eclipsed. A bit of a war is on, retailers admit, on this front, too, as public resistance to high prices mounts. However, early fall figures reveal that retail sales are still forging ahead.

## Humdrum hunger

**Y**OU may recall that *New Yorker* cartoon. Mother has made her sales talk and is tempting Junior with a spoonful of the subject.

Junior raps out in the caption, "I say it's spinach and the hell with it."

In millions of American homes, this scene is repeated daily though happily not at the sophisticated level of the cartoon. Paul Willis, president of the Grocery Manufacturers of America, Inc., is willing to wager that not only children but grown-ups as well suffer from what he calls "humdrum hunger," because food is not tastefully prepared. The Flavoring Extract Manufacturers' Association has decided to do something about it and apply the "new look" formula to food.

Part of this effort to whet the appetite (and it might be spelled "wet" equally well) will come from increased use of monosodium glutamate. Some 10,000,000 to 12,000,000 pounds a year will soon be produced. This seasoning, known for years in the Orient, intensifies the flavor of food and prolongs the flow of saliva, thereby eliminating disagreeable after-tastes.

Junior is promised some spinach he will really go for and his parents will eat with zest the foods they strive hard to sell but rather balk at themselves.

## Ship history repeats

**A**BOUT the same thing is happening in our maritime affairs after this last war as occurred after World War I. We can build ships faster and better than any nation in the world and accumulate a tremendous tonnage. Then we let our fleets and facilities rust away, if they manage to escape the junking process.

The National Industrial Conference Board supplies some figures. On April 1, 1948, our passenger-carrying fleet had a capacity two thirds less than what we owned on Dec. 7, 1941. Last April the American passenger-carrying fleet comprised 42 passenger and combina-





Business executives—yes, and their secretaries—can accomplish so much more when an office is equipped with the Edison Electronic Voicewriter. Free to dictate speedily and whenever it's convenient, key personnel have time for other important duties. Edison's exclusive Ear-Tuned Jewel-Action "tailor-makes" the dictator's voice so that the secretary transcribing at her convenience hears every word... clearly and unmistakably. By avoiding costly, time-wasting errors, the secretary, too, is able to do more work. No other instrument matches Edison understandability... for only Edison has Ear-Tuned Jewel-Action.



*Thomas A Edison*

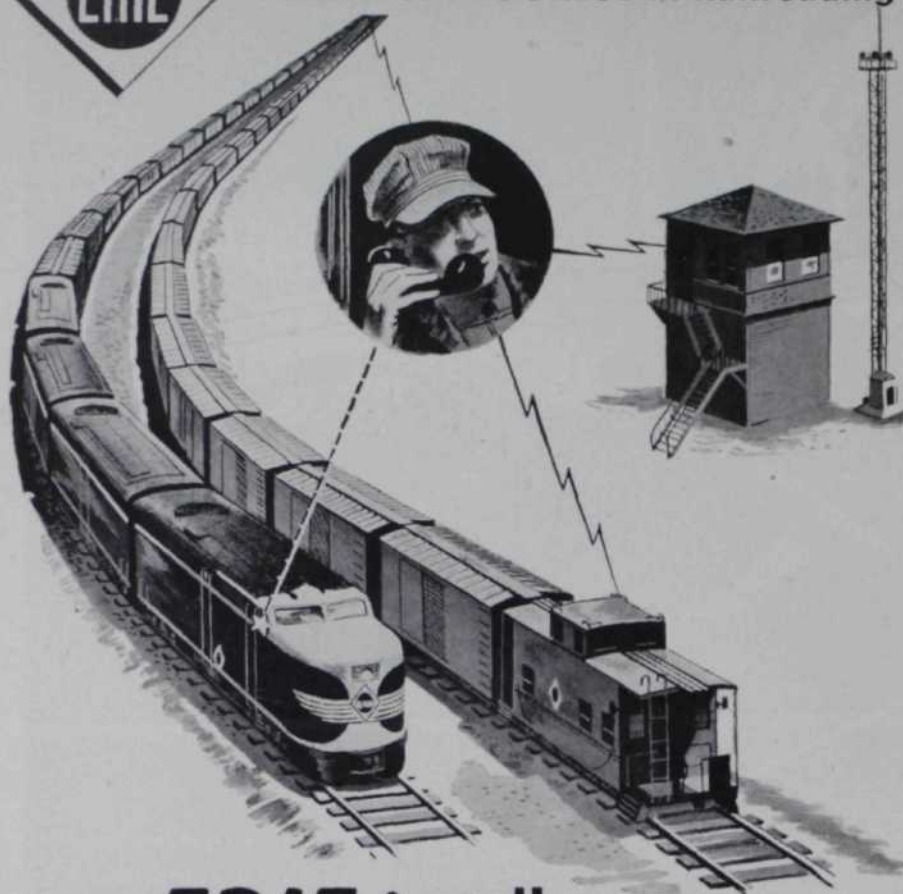
Only the EDIPHONE MAN brings you the exclusive advantages of Ear-Tuned Jewel-Action

Phone "EDIPHONE" in your city, or write Thomas A. Edison, Incorporated, West Orange, New Jersey. In Canada: Thomas A. Edison of Canada, Ltd., Toronto 1, Ontario.





...Mark of PROGRESS in Railroading



## ERIE installs radio-telephone on Main Line

IT'S a big step forward in progressive railroading . . . Erie's installation of 4-way radio-telephone on 347 miles of its main line; with 537 more miles soon to be under way.

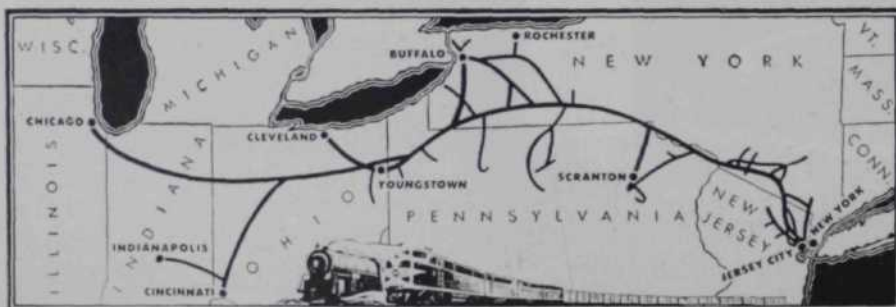
Traditional methods, such as hand signals and walking the tracks now give way to the *instant* communication of radio-telephone. With radio, Erie conductors can talk to the engineer (and vice versa) *while the train is in motion*. In any weather, train crews of moving trains can talk with each other, or with wayside stations, just as easily

as you use *your* telephone at home!

This is another example of Erie's forward-looking policy . . . finding better ways to provide safe, dependable transportation for both passengers and freight.

## Erie Railroad

Serving the Heart of Industrial America



tion passenger-cargo vessels with a passenger capacity of 11,279 persons. On the war date we had 113 vessels with a passenger capacity of 38,000.

Our merchant fleet last May had about 1,850 ships in active service as against 6,000 in wartime. Some 3,400 ships had been junked or are still under control of the armed services.

Shipbuilding reached a peak of 1,661 vessels totaling 18,500,000 deadweight tons in 1943. Last year 39 vessels were built.

### Top economics

WHAT does a top economist of the country rate as our biggest problems? Theodore O. Yntema, research director of the Committee for Economic Development, says the first problem is working out and getting into operation a fiscal and monetary policy which will make for stability. This means control of national receipts and expenditures in a way that will promote an even level of business.

The second problem of importance, as seen by Yntema, is finding a way to keep prosperity from running off into price inflation. (About which we know very little.)

The third major problem is what a healthy economy requires in the way of competitive conditions. The question posed is: "What are the necessary requirements of really workable competition?"

### Pay as you go

SOME ten days ago controls were reinstated on consumer instalment credit. Down payments once more must be 33⅓ per cent on automobiles and 20 per cent on a wide list of household appliances, furniture and soft floor coverings. Fifteen months is allowed for payments up to \$1,000 and 18 months above that amount.

What President Truman urged, and Congress accepted finally, was the idea that we should not get caught on the same hook that hurt us in the late '20's. Consumer credit authorities argue that, although there has been a big rise in credit business, the volume percentage-wise is far from excessive. And they can marshal other arguments to support the theory that the country thrives through use of credit.

However, another authentic report disclosed that some 28 per cent of the nation's families are currently spending more than they earn.

As credit terms tighten, retailers are well aware that the effects will



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**THE NEW REMINGTON** **ELECTRIC**  
**De Luxe Typewriter**



## Climaxing 75 years of service to the Business World

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New Remington Rand type! Designed for greater readability... perfect stencils.



Finger-Fit Keys adjust fingertips automatically!

and an increase in output that delights the secretary... is a revelation to the executive. The typist need no longer worry about individual touch for beautifully typed letters and reports—with the new Remington Electric DeLuxe she merely touches the keys, and the quiet, smoothly functioning electric mechanism picks up the action and uniform typing appears on paper!

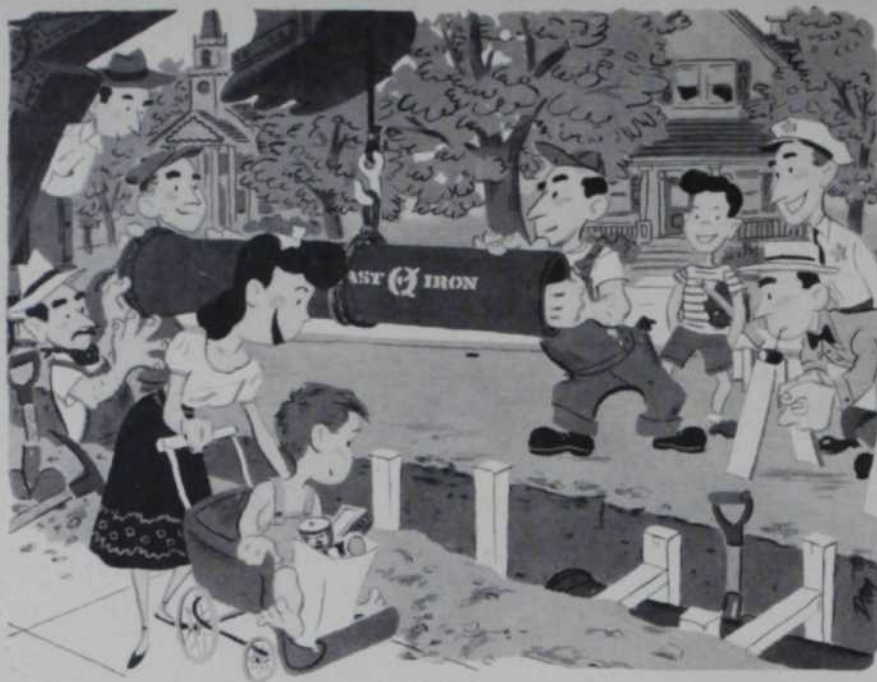
Today, see this handsome new Remington Electric DeLuxe Typewriter... call your nearby Remington Rand office; let a trained representative show you its many features that will give you better typing, faster, at a lower net cost!

The new REMINGTON ELECTRIC DELUXE TYPEWRITER is unusually compact... fits all standard fixed-bed, center-drop and pedestal-style typewriter desks.

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This cast iron water main has served the citizens of Mobile, Ala. for 118 years.

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LOOK FOR THIS MARK

IT IDENTIFIES CAST IRON PIPE

be felt upon sales. There will be less ready money to be spent on other things when more must be paid out for instalment goods.

## Forecasting sales

A MAJOR test of the comparatively new science of sales forecasting looms in the offing, business observers agree. The emergency, when it comes, will offer no fresh difficulties to some of the country's biggest manufacturers because they have been budgeting sales as well as fiscal matters over a period of years.

However, the science of shaping production to what can be sold has spread, and the companies which confuse marketing science with wishful thinking may run into trouble. This is more likely to be the case where production or sales executives have the handling of what ought to be unbiased estimates.

C. W. Moore, director of market research for SKF Industries, Inc., producers of ball and roller bearings, believes the job is one for market research specialists because few executives have time for sober analysis. He told a gathering of cost accountants:

"Most of us are so busy, either looking back on the good old days or ahead to the triumphs of tomorrow, that we lose any real sense of where we are today or of our angle of approach to a jet-propelled future."

## Why bosses fail


AFTER finding out what makes a successful executive tick, Social Research, Inc., of Chicago, was also able to report on failure traits. Dr. Burleigh Gardner and his consultants, who included university social scientists, checked 473 cases from 14 national concerns covering manufacturing, distribution, transportation and advertising.

Some of the findings were familiar: lack of broad vision (the detail man), inability to meet responsibilities, overambition (the man who wants to run before he has learned to walk), arrogance toward subordinates, and resistance to authority.

Other findings were more surprising, such as the unconscious desire "to be something or some one else." Personal prejudices which interfere with judgment are not uncommon. Overemphasis on work leads to unbalance.

A more subtle cause of failure, so the researchers found, was called "gravitation toward self-destruction." Affected by deep, irra-





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You wouldn't buy *fire* insurance as protection against burglary. You wouldn't buy *burglary* insurance as protection against fire. Still many businessmen make a similar mistake in choosing their safes.

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A modern office safe is a highly developed device scientifically designed and built to protect its contents against FIRE. That is a vitally important job, since 4 out of 10 firms which lose their records by fire *never* reopen.

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If your need is for protection against burglary, you want an armored money chest. A good money chest is built to resist deliberate attacks of expert cracksmen and is equipped with an automatic relocking device. So, if it's burglary you want to prevent, you want an armored money chest—usually identifiable by its *round* door. It may well pay for itself in insurance savings alone.

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You'll entrust your company's valuables to the safe or money chest you buy—so be sure you're buying a dependable product. First, be sure of the reputation of the maker. Your bank or Better Business Bureau can tell you if the manufacturer is reputable. Second—look for the label of the independent *Underwriters' Laboratories, Inc.* Without that, no safe is trustworthy. Third—buy a new safe, or one whose entire history is known to you.

Then consider your own requirements. If you need fire protection, buy a safe. If you want burglary protection buy a money chest. If you need *both*, buy a safe with a built-in money chest. Write to Mosler for detailed information or any help and advice we may be able to provide.

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tional beliefs of unworthiness, executives in this group have a yearning for failure and bog down in the face of the big opportunity just to prove they are right about their shortcomings.

Dr. Gardner emphasizes that failure is usually the result of a combination of factors.

"Many of these men," he adds, "can and do succeed at an equal or higher level in other fields."

### Inventory angles

THE position of inventories is watched closely during inflationary periods as a guide to the business outlook. However, a thoroughgoing study by Dr. Moses Abramovitz of the research staff of the National Bureau of Economic Research indicates that inventories have continued to rise some months after production started to decline and have kept falling after production was on the rise.

The study is entitled "The Role of Inventories in Business Cycles." In summarizing the report, Dr. Arthur F. Burns, director of research of the National Bureau and professor of economics at Columbia University, writes:

"Dr. Abramovitz's great contribution consists in demonstrating that inventories are not a homogeneous mass, that their behavior does not lend itself to aggregate analysis; but that economic law nevertheless governs the process of inventory accumulation and decumulation."

The study shows that goods in process rise and fall in almost perfect unison with output. Inventories of raw materials lag behind cycles in output by about four months. Inventories of finished staples sold from stock reveal the longest lag, which may be a year or even longer.

### The West pays

"GO WEST, young lady, go West!" could be the counsel offered to stenographers. A survey of office salaries shows the girls earn more in San Francisco and Los Angeles than in other leading cities. The weekly rate in April was \$52 in San Francisco and \$50 in Los Angeles. New York was paying \$44.

And why the \$2 spread between the Golden Gate and L. A.? Can you guess, or may we suggest that a bit of movie glamour covers the difference.

But not only the girls do better on the Coast. Office boys rate \$42 a week in the two big cities or some \$12 more than in New York.





*"—the heads of our company look ahead  
in a very human way."*

(This letter from a worker was one of the many received by an employer about Travelers Group Insurance.)

"It seems to me that the heads of our company look ahead in a very human way for our welfare.

"It is only when you have the unfortunate occasion to deliver a check of this kind (for group insurance) that you appreciate what it means to hand a substantial sum of money to someone who has nothing."

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more concerns than any other company.

We were pioneers in this field, and the employee claims we settle annually number one-half million.

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*On all forms of Employee Insurance, you will  
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# A New IBM Electric Time System

- *with electronic self-regulation*
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**Clocks**



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A new Electric Time System in which indicating clocks are connected directly to the regular AC current supply and are self-regulated electronically, ALL WITHOUT SPECIAL CLOCK WIRING, has been developed by IBM.

In any building which has 110-volt, 60-cycle, supervised alternating current, IBM synchronous motor indicating clocks can be connected to a regular wall plug or light socket outlet. Once an hour each clock is checked individually and regulated automatically for uniformity with system time.

Another feature of the new system is automatic signaling without special signal wiring. Self-regulating minute impulse recording units—Attendance Time and Job Cost Recorders, Time Stamps—are operated through an adapter unit.

For information on this new, flexible, economical Electric Time System, write to the address below.

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## MANAGEMENT'S Washington LETTER

### ► "YOUR PRICES are too high."

"Mine are just high enough that I can manage to make some money."

That seems to be psychology underlying much present-day thinking regarding costs. Few approve of strong inflation. But most seem to feel that the other fellow is guilty, that everybody else's prices, not his, are too high.

It's somewhat like old OPA days. Everybody thought price controls OK—for everybody but himself.

### ► PEOPLE GET USED to booms.

Whether this one follows historic pattern, that's an historic truth.

Yes-and-no schools continue arguing about recession possibilities.

"Yes" men say there aren't any big incomes, demand shifts to support boom naturally without defense, foreign-aid.

Prominent in "no" school is Sumner H. Slichter, Harvard economics professor, who has two main arguments:

1. Change in nation's economy induced by organized labor, causing price level rise. (Also, would be first time country had recession with industrial workers well organized.)

2. Continuing high federal expenditures. Previous wars, he says, weren't followed by heavy government spending.

Slichter sees prices leveling off for first time in 2½ years. He points to lack of hike in private spending between first-second 1948 quarters; to decline in that period's corporate earnings.

### ► REMEMBER THIS when fight over government crop support (prices) starts in next Congress:

Winter wheat will have been sown.

Agriculture Department will have set 1949 production goals.

These points indicate 81st Congress will do little about crop supports in its first year. They're due to come down in 1950.

Fight's chief antagonists will be farmers, organized labor—with latter condemning this use of tax money.

Actually, plantings will exceed crop goals next year. Favorable weather will bring more record crops. Support prices will cost more next year than this.

It all adds up to fact that declining farm prices will have delayed action on your grocery bill.

Tip-off: National Grange, American Farm Bureau Federation, National Council of Farmer Cooperatives recently issued joint statement saying in part:

"Supports are insurance that a farm price collapse will not plunge the entire economy into a depression, as it did in 1920-21 and 1930-31."

What those three (but not general public) realize: with farm prices sliding, supports soon will change from floors to ceilings.

Joint statement predicted lower consumer food costs. But significantly it linked decline to processing, transport, handling costs.

### ► DARK CLOUD in profits picture is shrinking margins.

Smaller businesses squeezed hardest.

Over-all profits so far this year are nearly 8 per cent higher than last. But profit margin is down from 7.5 to 7.2 cents on the dollar.

That's due to higher operating costs.

For manufacturers with assets under \$250,000, profit per sales dollar is down from 4.7 to 2 cents. For those between \$250,000-\$1,000,000 it's off from 6.1 to 4.9 cents.

Only for those over \$100,000,000 is it up—from 7.8 to 8.7.

Maintenance of profit margins requires continued high unit volume sales. In many lines this is being found increasingly difficult.

American Iron and Steel Institute says that in 1947 steel industry's per sales dollar earning was 6.3 cents.

"A 6½ per cent decline in sales value," Institute declares, "would have wiped out the entire amount of 1947's earnings in the steel industry."

### ► HOW MANY SUITS do you own?

If you're average customer, you buy new one every other year. Apparel industry's going to try to sell you more.

Men's store racks are full. Retailers are shopping for bargains from suit makers. One fourth of latter who entered business from 1945-48 have quit.

Industry has never sold better than one-half suit per man a year. At depression's depth sold only one suit for every three men per year.

Now more suits per man seems answer to industry that's passed its boom peak.

There'll be new sales campaigns, fashion drives. One big target: Southern, suit-coatless business men.

### ► PIRATING OF EXECUTIVES is continuing business practice.

That's because business finds dearth of good management personnel. What they



# MANAGEMENT'S *Washington* LETTER

have is spread thin under postwar expansion.

War interrupted normal flow of young potential management officials from colleges.

And some management talent that looked good during war doesn't look so good in today's return to peacetime competitive business conditions.

► **TAKE ANOTHER LOOK** at industrial production statistics.

You've got to view them from a different angle these days—mainly because of summer vacations.

Third quarter rubber industry output might show what seems to be unusual slump. But, in rubber as elsewhere, complete vacation period shutdowns are becoming increasingly popular.

They're easier than staggered vacation schedules, simplify maintenance repairs.

► **DON'T BE SURPRISED** if momma wants to go along on that next business trip.

Air travel will be cheaper. Watch for other lines to copy new American Airlines family package travel plan.

Flooded with inquiries just before introducing plan, American expects it to jump business from 50 to 75 per cent on Mondays, Tuesdays, Wednesdays.

On those days husband of traveling family can buy half-fare tickets for wife and children under 21. Wife flying with children under 21 pays half fares for them. With just husband and wife, she gets half-price ticket.

It's American's way of saying: half a fare is better than none.

► **BETTER MAKE YOUR** future business plans with 1950 tax increase in mind.

It's very much in Washington cards.

Less likely for 1949. Dewey administration would be reluctant to do it immediately. If re-elected, Mr. Truman would have trouble selling idea to new, still G.O.P.-controlled Congress.

Continued foreign aid plus stepped up military spending could force Congress to prescribe this bitter pill in 1950.

Congressional leaders giving up on another tax slash next year but may pare down some excises. There'll be strong pressure as sales of such taxed items as tires, cosmetics, furs continue to decline. As alternative to tax increase,

Congress will look to its old stand-by, budget cutting.

Cuts would have to be in the big items like reclamation projects, veterans' benefits. First would be fought by Western politicians, second by powerful veterans' organizations. Both, as Congress learned this year, are political TNT.

Meanwhile military spending forces budget higher. Over military leaders' protests, this spending will be held around \$15 billion in fiscal '49, possibly \$20 billion in fiscal '50.

If defeated, Mr. Truman can be expected to continue sitting on \$15 billion lid. Political logic would let Dewey build multibillion defense force, forcing tax increases.

► **PESSIMISTIC DEMOCRATS** already look toward 1952 as finish line of current presidential campaign nears.

They're also increasingly doubtful they can pick up needed four extra seats for Senate control.

That possibility worries G.O.P. most.

And with best chance of victory in 16 years, Dewey's ultra-efficient, smooth machine will take no chances, spare no horses to clinch White House.

► **HERE'S WHAT GIVES** congressmen inflation nightmares:

Credit, monetary control problems will be back to haunt them next year.

Question then will be: should there be price economy, controlled economy or do we leave hands off?

No effective inflation brake in sight. New Federal Reserve controls will be considered. Here's the picture:

Federal Reserve continues buying government bonds heavily to keep price at par. This increases lending reserves of banks selling bonds. That's very thing Federal Reserve tries to check with controls aimed at decreasing lending.

It can sop up some of increased lending reserves by selling more short-term government securities—and is. But much of bonds it's buying are from non-bank holders, such as insurance firms and others that make loans which Federal Reserve can't control.

Congress could slap controls on bond selling—economy controls. It also could let bond prices slip under par so bond holders would lose if they did not hold.

Either plan could start psychological reaction with dire economic consequences. Either could touch off a sharp recession. That's why thought of them gives congressmen nightmares.

► **ON ANOTHER FRONT** inflation continues its march. Proportion of retail cash



sales is still going down—may be down 10 per cent for three-year period by end of this year.

Proportion of instalment sales is expected to have doubled by then for same period.

And proportion of charge account sales will have climbed about 5 per cent.

New credit controls (much more lax than during war) will hurt some business but not much. They'll pinch firms depending on easy credit for volume.

They'll help other small firms compete with bigger ones that previously could afford to extend more liberal credit terms than their smaller brothers.

► **YOU'LL UNDERSTAND** higher rail shipping rates you pay directly or indirectly after a look at rail garage bill.

In past 10 years repair cost per average car has risen from \$77.75 to \$227.09. In 1938 it cost \$133,884,261 to repair 229,905 cars. Today it costs \$399,239,520 to repair 73,762 cars.

It cost \$1,035 to keep each Class I freight car (new or old) rolling during past five years.

There are 1,742,094 such cars carrying freight today. Largest group of them (23.35 per cent of total) are from 21 to 25 years old.

Today's garage bill is railroad history repeating itself.

It was worse after World War I when repair cost hit \$250 per car in 1920.

Then as now answer was more new cars.

Today rail executives are frustrated because they can't use that answer due to materials shortages, especially steel. They're spending more money to repair some old cars than new ones cost.

► **HOW'S YOUR BUSINESS** planning?

If you're looking over your setup with an eye to future, you may find new United States Chamber of Commerce booklet helpful.

It lists precautions you can take against any forthcoming recession.

Send us 20 cents and we'll see that you get one.

► **FARMER'S ECONOMIC POSITION** isn't as bright as might be believed.

Despite his income boom he's still losing battle against living costs. Here's what figures show:

Rise in per capita personal income since just before war is higher than national average in all major farm states. National average: 130 per cent.

This contrasts to New England, Pacific Coast states—all under national average.

So farmer is making money.

## MANAGEMENT'S Washington LETTER

But there's another side to picture.

Farmers' income from sales, government benefits (support price payments) is up this year from last.

It totaled \$10,722,000,000 for first five months 1948, was \$10,257,000,000 for same period of 1947.

But prices farmer had to pay rose enough faster first five months of this year that he found his purchasing power 6.6 per cent under that period of 1947.

That's why farmer worries (as you should if you sell to him) about sagging farm prices, wonders if his boom is waning.

► **LISTEN FOR NEW TALK** about organized labor harmony, possibility of AFL-CIO merger.

Oddly enough, labor harmony at home is being fostered abroad. ECA gave unions job of selling foreign labor on ERP co-operation, importance of their part in it. And they're doing it.

Top U.S. labor figures find themselves in complete harmony in their mutual work abroad. Overseas work of AFL's Bert Jewell, CIO's Clinton Golden provides good example of this.

► **MEASURING PRODUCTIVITY** is tough.

It's recovering from wartime lows in a number of industries.

BLS survey shows two thirds of 32 selected manufacturing and non-manufacturing industries above their 1939 output levels.

Of that two thirds (20 industries), 11 showed increases of more than 10 per cent.

Survey isn't completely indicative because data on important industries is lacking.

► **BRIEFS:** Look for CIO to pull out of Communist-dominated World Federation of Trade Unions....Listen for employer complaints to next Congress about legal red tape, etc., Taft-Hartley labor law is getting them into....With China, Japan dismal as tourist attractions, steamship lines shifting ships to Atlantic runs where business is booming.... North China railroads base children's fares on height: under 2 feet, 6 inches, free; from 2 feet, six inches to 4 feet, three inches, half fare; over 4 feet, three inches, full fare.





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# TRENDS



## OF NATION'S BUSINESS

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### *The State of the Nation*

**R**EGARDLESS of its eventual outcome, the strange case of Alger Hiss will certainly have important constitutional consequences for the United States. Indeed, a vague realization of these long-range implications accounts for much of the public interest aroused by the investigations of this case by the House Committee on Un-American Activities.

Of course, there has been vivid drama in these particular hearings, entirely aside from their constitutional significance. Any mystery which involves the element of espionage is inherently dramatic. So is the effort to ascertain the truth when two men under oath give the lie direct to each other's testimony.

These and other factors alone would have made the investigation of Hiss by the House Committee on Un-American Activities a *cause célèbre*. But the drama inherent in the case was intensified and deepened by the fact that a congressional committee set out to probe the doings of a man who had achieved great influence as an appointed official of the federal Government. Thereby the perennial conflict between the Legislature and the Executive, in the American system of government, was personalized.

Alger Hiss can be taken to represent, in demonstrated ability, the highest type of managerial officer, entrusted with the making of decisions affecting the lives and fortunes of every American citizen. The House committee, composed of elected representatives from widely separated parts of the nation, symbolizes the strict account-

ability which the American people have always demanded from those placed in a position of authority over them.

The ordeal to which this committee has subjected Hiss is thus a logical application of Thomas Jefferson's famous dictum that "Public Office is a Public Trust."

• • •

Nevertheless, it is apparent that in this whole affair the House Committee on Un-American Activities has been as much on trial as Alger Hiss himself. If the charges brought by this tribunal eventually prove well-founded, then the reputation of congressional committees will be enormously increased. If the charges are not substantiated, at least in large part, then the inquisitorial function of all congressional committees will be seriously discredited.

So the case of Alger Hiss, in its larger aspects, is seen to be a major test of a device peculiar to the American system of government—the congressional committee as it has evolved in its dual nature of a link between the Legislature and the Executive; and as a check upon the Executive by the Legislature.

It is natural that the great constitutional significance of our congressional committees has been most clearly brought out by English students of American Government. That is because these committees themselves illustrate the profound differences between the English and the American political systems. Under the English system, one





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How does the food you eat affect your vitality . . . your resistance to disease . . . the length of your life?

To help solve these vital problems, the nation's food industry is pressing a two-pronged attack on the mystery of *how your body uses food*.

(1) In hundreds of universities and medical centers, skilled scientists are tracking down the secrets of nutrition. Their work is made possible by substantial grants from America's food companies—*grants made with no thought of gaining competitive advantage*.

This work is urgent.

The infant science of nutrition has already conquered rickets, pellagra, and other deficiency diseases. Current studies show that food may affect tooth decay, heart failure, high blood pressure. Nutritional science is blazing a new trail to better health and a longer life span.

(2) Individual food companies spend

\$24,000,000 a year for basic and applied research—to provide you with still better food products. From their laboratories have come quick-frozen foods . . . vitamin-enriched foods . . . and countless new developments in agriculture, processing, packing and distribution.

Your enjoyment of delicious, nourishing food the year around is a miracle of modern science. And even more startling developments are in store for Tomorrow—thanks to the individual and cooperative research carried on by America's forward-looking food industry.

Here in the food industry is a story of cooperation born of competition. For in

the highly competitive food industry, where farmer competes with farmer, shipper with shipper, manufacturer with manufacturer, and retailer with retailer, there is the underlying recognition that the improvement of the nation's food and health results in a better life for all. This is typically American.

Only in a free economy are people impelled to seek out new ways, to create new things, to seek new markets, so that by profiting themselves, others may profit. Only in a free nation are people impelled to work together voluntarily for the common good.

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political party cannot control the Executive while another controls the Legislature. If a Prime Minister does not command a majority of the House of Commons, he resigns and the King replaces him with the opposition leader, who thus becomes the titular head of "His Majesty's Government." Therefore, the Administration is the Government in Great Britain. It is *not* the Government under our system of divided and balanced powers.

Moreover, both the Prime Minister and all the important members of his ministry are by custom elected members of the British Parliament. They are continuously present in the House of Commons to answer questions and therefore do not need to be summoned before the Legislature. Under our system, no member of an executive department can also be a member of Congress. It was therefore necessary to establish committees of Congress—both of House and Senate—not merely to draft legislation, but also to obtain from the executive arm the information necessary to make such drafting intelligent.

In countries with the English system, the ministry itself serves as the controlling legislative committee, and appoints special judicial committees, generally known as "Royal Commissions," whenever an issue of public moment seems to warrant thorough investigation. Thus the Canadian Prime Minister, Mr. Mackenzie King, in 1945 appointed a Royal Commission to make the espionage investigations which with us have been developed by the House Committee on Un-American Activities.

The inquisitorial power latent in all our congressional committees does not ordinarily create an issue. That is because the Administration and Congress are usually controlled by the same political party. Then the chairman and majority of every congressional committee are of the same political party as the President and his department heads. There is harmony between the Executive and the committees which, in the aggregate, do most of the work of the Legislature.

But occasionally it happens—as today—that the Administration is of one political complexion and the dominant party in Congress of another. Then there is a predisposition for the congressional committees to be hostile to the Administration, especially in an election year when any disclosure of Executive malfeasance may be politically helpful. By the same token, the Administration which confronts a hostile Congress will be the more inclined to cover up whatever may be scandalous, and therefore politically vulnerable, in its record.

It is against this background that we should view President Truman's repeated assertions that the congressional espionage investigations are

merely "red herrings." Against this background we must also assess congressional charges that "obstructionist tactics by the White House" have "hampered" a proper disclosure of Communist infiltration in the highest echelons of many administrative departments.



Long before communism was an issue of any importance in the United States, Viscount Bryce, in his classic study of *The American Commonwealth*, examined the role of our congressional committees and came to the conclusion—some 60 years ago—that their power would increase rather than diminish.

Our federal Constitution, Bryce reasoned, throughout implies supervision of the Executive by the Legislature. "That supervision," he wrote, "must be conducted through committees, since it involves the taking of evidence."

It is a tribute to the keen political instinct of the American people that "the taking of evidence" in the case of Alger Hiss was immediately diagnosed as the truly significant part of the congressional inquiry. Some regarded the procedure as improperly inquisitorial. Others supported the argument advanced by the Un-American Activities Committee itself—that Congress does not at present have adequate power to punish witnesses deemed guilty of "contempt" by their refusal to answer interrogation which would be appropriate in a legal trial.

Undoubtedly, prosecution is not the natural function of a legislative body. It is the duty of the Executive to prosecute wrongdoing, with an independent Judiciary assigned to the task of trying cases in which criminal conduct is alleged.

But a very serious dilemma arises in cases of obvious public importance, where the Executive fails to prosecute when there is substantial evidence of wrongdoing. In such cases, under our system of government, it is foreordained that the congressional committee will move in whenever and wherever public opinion regards the Executive as having been negligent. As Bryce pointed out, through their power to take evidence our congressional committees have always possessed a rudimentary judicial function.

Beneficially or otherwise, in the case of Alger Hiss a particular congressional committee has exercised this judicial function with unusual vigor and aggressiveness. If that assertiveness is justified by the event, it will become more habitual in years to come. The right of the Congress to dominate the Executive, even by inquisitorial procedures, will have been firmly established.

—FELIX MORLEY



*How's our  
railroad doing,  
young man?*



*"Is it making any money?"*

*"What are they paying for fuel these days?"*

*"Are you hauling much freight?"*

*"Do you like your job?"*

The little old lady is not a busybody—she is merely looking after one of her investments.

She has some money in the Santa Fe. Maybe it's ten, maybe it's twenty, maybe it's fifty shares of Santa Fe stock.

She is entitled to attend a stockholders' meeting. She can get on her feet and ask our board of directors questions just like the above. She can compliment those gentlemen for their management, or she can bang her umbrella on the table and tell them off.

Alone, her few shares of stock can't do a lot. Alone, she couldn't elect a president of the United States. But stockholders just like her—housewives, teachers, merchants,

salesmen, laborers—can tell us how to run the Santa Fe, and they do. (Actually 29,178 Santa Fe stockholders are women, most of them holding only a small number of shares each.)

And that's the beauty of America—the voice of the people is the voice that runs things, whether it's operating a transcontinental railroad or putting a man in the White House.

Isn't it a wonderful country where so many can own so much? That's "Free Enterprise."

★ ★ ★

Santa Fe stockholders, just as those of any railroad, know that American railroads must be permitted to earn at least 6% (many other industries earn more) on their investment in order to maintain sound and progressive operations and to continue to provide shippers and passengers with the finest in rail transportation.



**SANTA FE SYSTEM LINES**

Serving the West and Southwest





# The Month's Business Highlights

**P**RESSURE for goods and services promises to continue throughout 1949. As long as demand exceeds the supply, it is hard to picture the economy in a nose dive. The export program is likely to keep supply behind demand for many a day.

In the meantime, American business and industry are chalking up some remarkable accomplishments. These developments stand out even more clearly by regions than they do nationally. Business statistics averaged out for the country as a whole frequently hide the full significance of regional expansion. In some areas remarkable things have happened in department store sales, in the amount of furniture and hardware that has been bought, and in the rise in building permits.

Real estate loans have expanded surprisingly in certain sections despite the fact that the liberal financing allowed by Title 6 no longer is available. Loans to farmers and the large ownership of demand deposits by farmers are examples of surprising developments in some regions. What is happening in coal production, in rayon manufacture, in petroleum, in agriculture, in steel, in transportation, in employment, in capital expenditures, provides material for an epic. When the total output of goods and services reaches present unprecedented levels there is reason for feeling proud of the nation's capacity to produce.

## Business Out of Balance

Outstanding accomplishments that characterize the progress of American business should not be allowed to obscure unfavorable developments. Stability and balance are not being achieved. Undoubtedly some of the capital investment is being misdirected. Continued shortages of steel and other metal products and the raw materials which go into them, not only create the danger of regimentation but uncertainty as to supply is upsetting a wide range of other activities. Prices are at dangerous levels—now rising faster than income. The margin of savings is being impaired. Consumer indebtedness has increased. Collection ratios are down. Life insurance subscriptions are lagging. More consumer price resistance is in evidence.

Dullness is increasing in some of the industries producing non-durable goods. There are bad spots in the lumber industry. The stock market has fever for a while and then chills set in. Over-all

## TRENDS



### OF NATION'S BUSINESS

ratio of liquid assets to liabilities has not increased over prewar despite the fact that business must be more highly financed to operate at present price levels. Public works expenditures are adding greatly to the pressure on scarce materials, as is also the necessary expansion in the electric, gas,

transportation and communication utilities. Construction expenditures as a whole in 1948 will be nearly double those of 1947.

Despite the soft spots, total demand promises to continue to increase rather than diminish. Production also is expected to increase because many industries now have a better backlog of raw materials. Inventories at manufacturing plants are higher than at any other time since the war.

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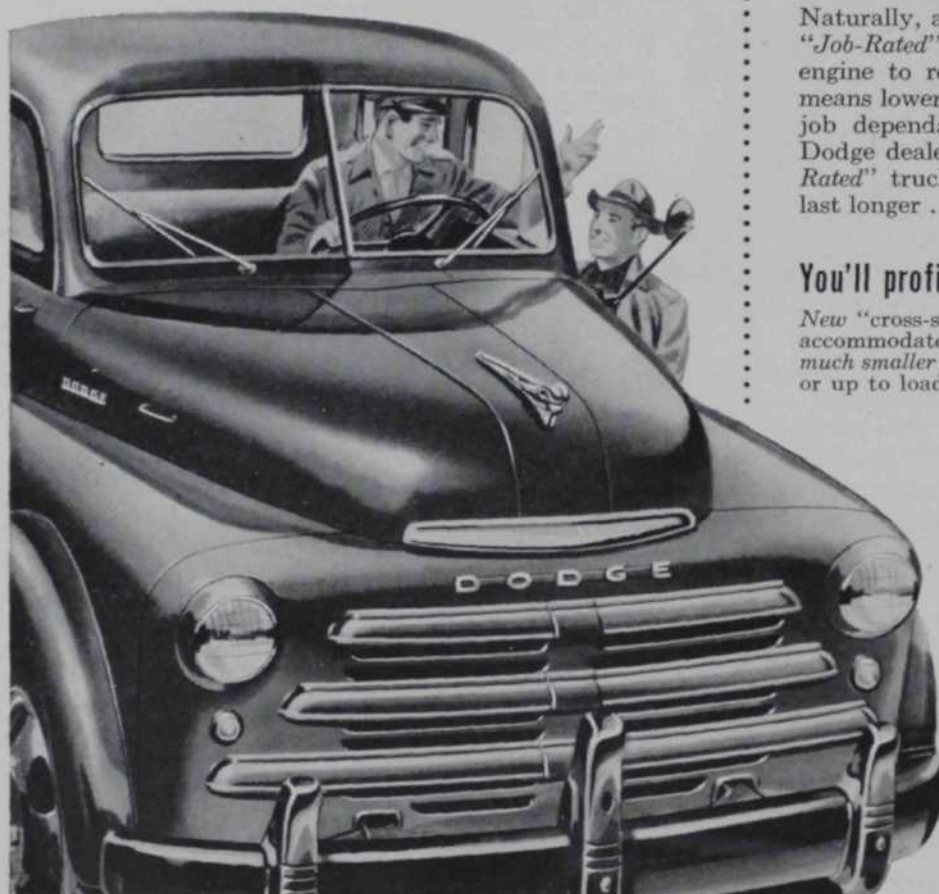
World leadership is a new enterprise for this young country. The fact is emphasized by the difficulties which have attended the efforts of the Economic Cooperation Administration in recruiting a staff with the kind of experience that is essential to the operation of such an undertaking. This is of interest to business because how ECA is conducted will have far-reaching effects on domestic business and on foreign trade. The United States only recently ceased to be a debtor country. The sense of responsibility and the import-mindedness that go with a creditor position have not been acquired as yet.

It was rare good fortune that a man of the experience and efficiency of Paul Hoffman was chosen to head up this organization. Those close to Governor Dewey feel certain that, if elected, he will want Hoffman to continue to direct that work. When the inadequacies of staff and the handicaps in the law itself are considered, Hoffman must be given credit for having done a job.

It is difficult for this country to understand the low man-hour productivity in western Europe. There is a demand that we take steps that will force better performance. Of that Hoffman has been wary. He has recognized that improvement on any considerable scale can take place only by a change in fundamental techniques. This takes time and large investment. The problem is being attacked at its roots by helping those countries get capital goods. ECA is trying to help in other ways but the changes necessary to increase productivity must be made voluntarily by the countries themselves. Outside pressure will do more



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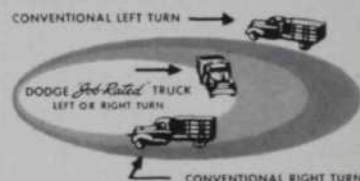
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# DODGE "Job-Rated" TRUCKS



harm than good. Officials in each of the 16 countries are aware of the need for improvement. There is promise that their efforts will meet with some success.



Enough time now has elapsed since the adjournment of the special session of Congress to see clearly that whatever political advantage might have been gained by calling that body together was lost when the legislative branch was formally called upon for unobtainable laws. Most of the requests were too obviously political. The public housing proposal was so dangerously inflationary that Congress dared not pass it even in a presidential election year. On the control of bank credit the President was unable to line up the appointees of his own party. Congress believed Marriner Eccles when he said the program requested would not achieve the results. Senator Taft made a telling statement when he declared that those responsible for money and credit would not use to the full the powers granted them.

The most important thing in the business picture, however, is Federal Reserve policy. Some action probably will be taken before this appears in print but doubt is expressed if it will be adequate to meet the situation. If the Federal Reserve should use its powers drastically, price rises could be arrested. All that would be necessary, some members of the banking and currency committees think, would be to let the Federal Reserve portfolio decline. The new powers do nothing more than allow the governors to support government bonds without expanding the credit base. This can be done by raising reserve requirements by the amount of their net purchases in the open market. The governors have done this to a certain extent by reducing their holdings of short-term securities by the amount of their purchases of long-term ones. No really important credit restraint is possible so long as the Federal Reserve remains committed to the support of government bonds at par. A suit that is too large has to be altered. It cannot be made to fit by putting a rubber band around it.

Apparently monetary management requires more resoluteness than that possessed by the authorities who have been in charge since inflation took on dangerous proportions. The Federal Reserve should be willing to be the whipping boy, but it is not. There is a difference between viewing with alarm and acting with determination. The authorities that be are good at the first, but are weak when it comes to the second.

Current comment by expert observers includes the following: The real danger is in allowing ourselves to slip into the comfortable belief that we have entered a new era in which the only direction is up. . . . Disparity in price advances makes it difficult for various segments of the econ-

omy to do business with each other. . . . The business community feels that inflation cannot long remain "controlled." The higher the wage-price spiral goes, the harder and the farther we shall fall. It

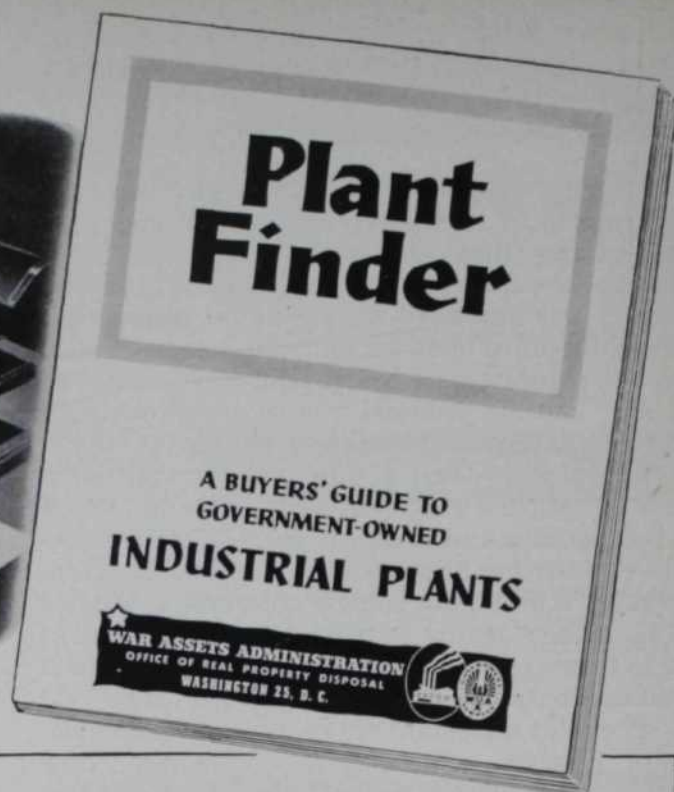
would seem more desirable to employ vigorous, yet flexible, anti-inflation policies that should help the economy to come to a balance. . . . Further growth in the Southwest depends upon the effectuation of a comprehensive water program. . . . A Federal Reserve study makes available precise information as to the ownership of demand deposits. The war-swollen volume of deposits is still in the banking system. To act intelligently bankers must have ownership classified. . . . In the small grains area productivity per farm worker has increased 52 per cent over 1935. This has been made possible by increased mechanization, development of higher yield varieties of seed, improved pest control and more efficient farm management. . . . The big crops of recent years are the result of much more than favorable weather. . . . Increasing efficiency in agriculture will make it necessary for more than half of permanent farm families, in some areas, to find non-farm work. . . . The request of the National Security Resources Board for better geographical dispersion of plants has given impetus to the increasing preference for plant sites in small towns. . . . Increasing restrictions which foreign countries are placing on their imports are cutting down the inflow of gold. Since additions to the gold stock have been the main source of gains in bank reserves, the sharp reversal of the trend has important monetary and business implications both domestically and internationally. . . . While exports of cotton goods have declined in 1948, the rate still is high above prewar. Mill capacity has not increased as much as population since the war, so a return to the fiercely competitive situation of the 1930's is not imminent. . . . Oil production for 1948 will go well beyond the 2,000,000,000 barrel mark. There has been a 25 per cent increase in wildcatting.



Hjalmar Schacht is widely known in American business and banking circles. Unscrupulous as were the financial policies which he devised for Nazi Germany, they are recognized as having been clever and effective. They were of the greatest value to his country when it was in a very difficult situation. The feeling is that the court was right in holding that he was guilty of no international crime. Business also is gratified that the court held to our philosophy of being fair even to our enemies. —PAUL WOOTON







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WASHINGTON 25, D. C.



# Washington Scenes

**T**HE presidential campaign goes down the stretch this month, and it is time to get out the electoral table and do some figuring.

To land in the White House, a candidate must get a majority of the 531 electoral votes, which is 266. As a general rule, the winner piles up far more than this simple majority, whatever his politics. All four of Roosevelt's victories were of a "land-slide" character—at least as they appeared in the electoral college.

So were the three Republican victories that preceded the New Deal era: Hoover's in '28, Coolidge's in '24 and Harding's in '20.

The only really close presidential election in this generation, as a matter of fact, was the Wilson-Hughes thriller of 1916.

I was reminded sharply of 1916 in gathering material for this article, not because this election promises to be close, but because of what was told me about two big states.

It was this way: I asked a usually well-posted Republican official to run down an electoral table and show me how the Dewey-Warren ticket could win. Then I did the same thing with a Democratic official in the case of the Truman-Barkley ticket.

Significantly, the Democratic official conceded that both New York and California would go Republican on Nov. 2, although he added, of course, that he hoped he was wrong.

Now it is possible for a candidate to lose New York and yet win the presidency. Woodrow Wilson did it in 1916. However, that was the first (and also the last) time such a thing had happened since 1868. How important the Empire State is in a national election may be judged from two statistics: its bloc of 47 electoral votes is greater than the combined votes of 11 smaller states, and is nearly one fifth of the 266 needed for victory.

Wilson managed to squeak through without New York because he got a break in California. The story was that the late Charles Evans Hughes, while campaigning in the Golden State, failed to meet and speak to the powerful Sen. Hiram Johnson, who was in the same hotel. Actually, Hughes did not know Johnson was in the hotel, and when he found out it was too late. The incident was played up so as to make it seem an intentional slight, and it greatly angered Johnson's followers all over the state.

Anyway, Hughes lost California, and that loss was the margin of Wilson's victory.

## TRENDS



OF NATION'S BUSINESS

The electoral vote was: Wilson, 277; Hughes, 254.

Getting down to 1948, President Truman is faced with this harsh political reality: that while there is an instance in our modern political history of a candidate winning without New York, there is none of a candidate winning without California as well.

But it should be pointed out that Wilson, besides carrying California, also captured Ohio and corn-belt states like Kansas and Nebraska. All three of these states went Republican in 1944, and G.O.P. strategists are confident that they will do likewise this time.

Wilson had another advantage in that he had the complete support of the Solid South.

• • •

President Truman, bedeviled by his civil rights program, seems almost certain to get hurt in the South. The aforementioned Democratic official, in going over the electoral table with me, conceded that three states in that region probably would break away. These were Alabama, Mississippi and South Carolina, the three having a total of 28 electoral votes. (The Dixiecrats themselves claim Louisiana as well as Alabama, Mississippi and South Carolina and also four of Florida's eight electoral votes.)

This serves to point up the extraordinary task that faces Mr. Truman this year, a task that would crush a less stubborn political warrior. He is running against three candidates—Gov. Thomas E. Dewey, Henry Wallace, and Gov. J. Strom Thurmond of South Carolina, the nominee of the States' Rights (Dixiecrat) party.

Wallace detests Thurmond's states' rights philosophy, believing it to be a smoke screen around "Jim Crowism." Thurmond doubtless feels even more violently about Wallace. He said once that the Progressive party's candidate was trying to give America "the new Russian look."

Yet, in this strange political year, the two men are allies in the sense that both are trying to drive Mr. Truman from the White House. Of course, they also denounce Governor Dewey, but he will be the beneficiary of their efforts.

Wallace has been slipping ever since the Communist grip on his party became so evident at Philadelphia. Whereas Democratic strategists once figured he might poll as many as 5,000,000 votes, they now think he'll be lucky if he gets 3,000,000. At the same time, however, they acknowledge that he will seriously damage Mr.





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Truman's chances in some of the big industrial centers. It is because of Wallace's strength in New York city, indeed, that they are ready to concede the Empire State to Governor Dewey.

Now for a preview, as given to me by officials of the two great parties.

In 1944, Governor Dewey carried 12 states. These states and their electoral votes were: Colorado (6), Indiana (13), Iowa (10), Kansas (8), Maine (5), Nebraska (6), North Dakota (4), Ohio (25), South Dakota (4), Vermont (3), Wisconsin (12), and Wyoming (3). That is a total of 99 electoral votes, 167 shy of the 266 needed.

Will Dewey carry these same states in November? My Republican analyst thought this was a reasonable assumption, and he used them as a backlog in figuring out a 1948 victory. This is his table, worked out only to the point of getting Dewey safely past the 266 mark:

1944 vote	99
California	25
Connecticut	6
Illinois	28
Michigan	19
Minnesota	11
New Jersey	16
New York	47
Pennsylvania	35
Total	286

The Republican official, going on from there, thought there was a good chance that the Dewey-Warren ticket would triumph in Massachusetts (16), New Hampshire (4), Delaware (3), Maryland (8), Idaho (4), Oregon (6), Utah (4), and Washington (8).

For that matter, he said, the G.O.P. ticket might very well win in Mr. Truman's own state of Missouri, which has 15 electoral votes, and in some of the other border states like Tennessee (12) and West Virginia (8).

The only state north of the Mason-Dixon line which he hesitated to claim was Rhode Island, which in 1944 gave Roosevelt nearly 59 per cent of its vote.

Turning now to the Democratic Party, the official whom I consulted claimed seven states in the Solid South, after conceding the probable loss of the other three. He then began to build on the 87 electoral votes of these seven, with this result:

South (87), Arizona (4), Colorado (6), Idaho (4), Illinois (28), Indiana (13), Kentucky (11), Maryland (8), Massachusetts (16), Minnesota (11), Missouri (15), Montana (4), Nevada (3), New Jersey (16), New Mexico (4), Ohio (25), Oklahoma (10), Pennsylvania (35), Tennessee (12), Utah (4), Washington (8), West Virginia (8), and

Wyoming (3). The total comes to 335.

It should be noted here that our Democratic analyst claimed four states that voted for Dewey four years ago—Colorado, Indiana, Ohio and Wyoming. They have a total of 47 electoral votes. If these should be subtracted from the over-all claim of 335, Mr. Truman would be down to 288—leaving a margin of only 22.

Thus, if the President lost either Pennsylvania (35) or Illinois (28), he would be sunk.

The Republican high command has been supremely confident that their ticket would win in both of those pivotal states. Both appear to have been moving back to the G.O.P. for some time. In 1944, Roosevelt got only 51.4 per cent of the vote in Pennsylvania, and 51.7 per cent in Illinois.

Sen. J. Howard McGrath and the others who are handling Democratic strategy are not altogether naive. They have known for a long time that Mr. Truman faced an uphill battle, and they have known, too, that he would have to have some extraordinary "breaks" if he was to have even a chance.

They are now pinning virtually everything on three hopes: 1. that high prices will cause a revulsion against the Republican Party; 2. that organized labor will start ringing doorbells and thus bring out 60,000,000 voters, and 3. that Mr. Truman, by "running like a sheriff" in every section of the country, will win the sympathy, admiration and votes of Americans who heretofore have felt that the presidency was too big a job for him, and that, anyway, it is time for a change.

Meantime, jittery Democrats working for the federal Government are going underground. Jerry Klutz of the *Washington Post*, an occasional contributor to *NATION'S BUSINESS*, discovered that it was almost impossible to find a federal worker who would come right out and say he was a Democrat.

Klutz noted that three things were happening:

1. Some employees, who had been given letters of endorsement by Democratic big-wigs in the past, were trying to get them out of the personnel files to destroy them.

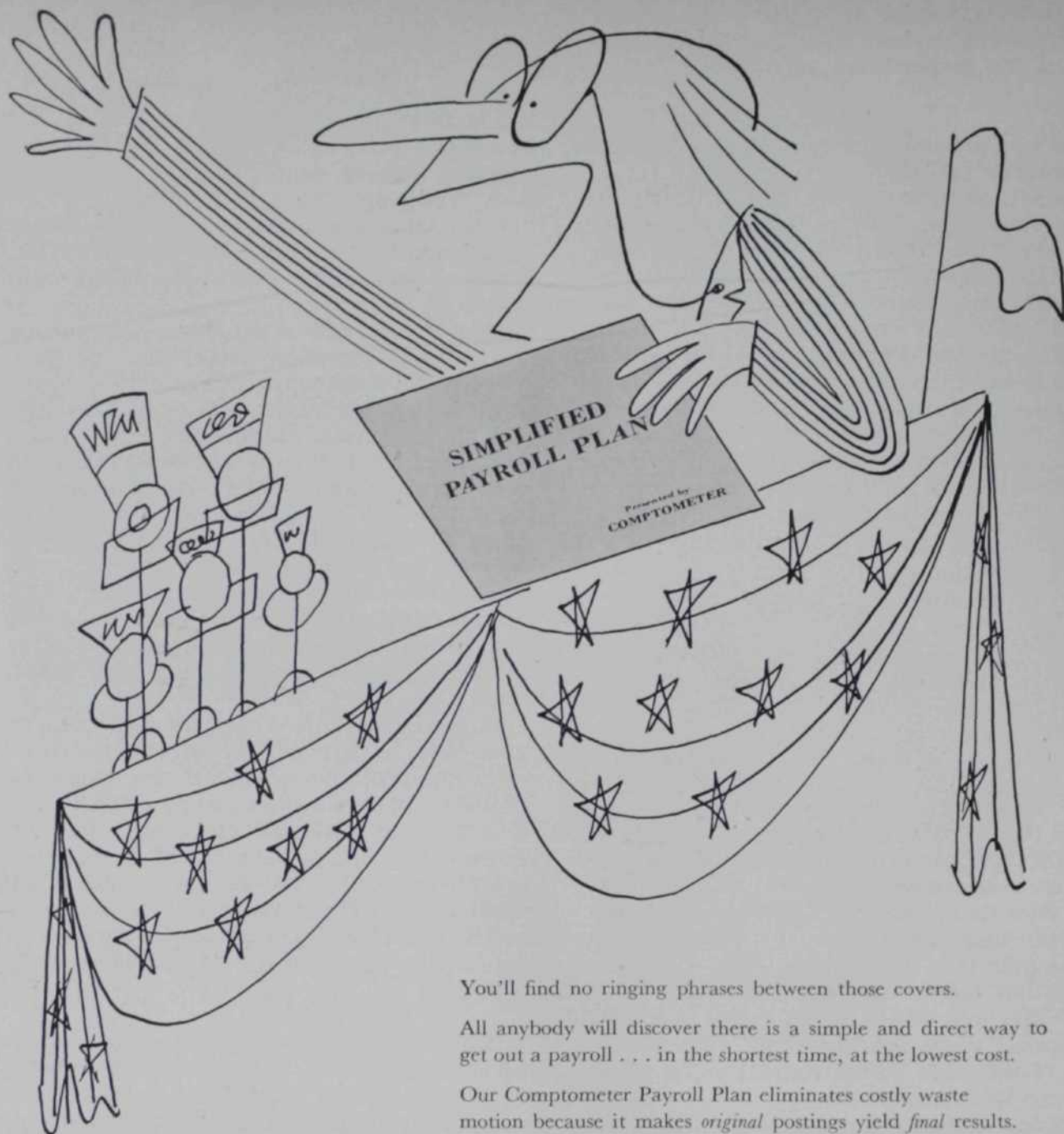
2. Others were asking the folks back home to play up to the local Republican leaders so that they could get letters of clearance if it became necessary.

3. A good many were making a contribution of \$10 or so to the Dewey-Warren war chest, and keeping carbon copies of their letters and also the letters of acknowledgment.

—EDWARD T. FOLLIARD







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A FORMER Under-secretary of the Treasury points out some basic faults in our present tax setup

# How Should Taxes Be Revised?

By ARTHUR A. BALLANTINE

CONSIDERATION of the federal tax angle is vital in all today's business plans. The federal tax structure also determines, in large measure, the ability of our economy to respond to individual and public needs. On a clean slate, what kind of a tax program could be written that would permit the necessary governmental functions to be carried on efficiently without endangering the economic well-being of the citizenry—individually and as a group?

The man attempting to start afresh at this time would have considerable experience on which to draw. He could avoid some mistakes of the past. Yet some of the events of the past, mistakes or not, would complicate his task.

Two things would confront those who set out to establish a more rational and equitable tax structure at this late date. One of these is the national debt of \$253,000,000,000. The second is a federal budget which has been ranging around \$40,000,000,000 a year, and which, it has been predicted, may even go to \$50,000,000,000 when new expenditures for national defense are added.

What must determine the Government's total tax take is, of course, the amount of government expenditure. If the Government is to keep solvent, at least in the long run taxes must be sufficient to cover current outgo and to yield a margin for debt retirement.

That's a first requirement—but

there's another side to the story and a most important one. The tax system also can serve as a brake on wasteful use of federal monies. In concern over inflation, the inflation of the vastly expanded cost of government has a chief place. The cost of government will not be reduced until taxes are reduced. There are too many ways in which potential surpluses are diverted into expenditures.

This is why it has been so difficult to get away from war taxes. During the war taxes reached the heights. Individual income taxes reached down to incomes of as low as \$500, and up by a steep scale to a top bracket of 91 per cent, besides a normal tax of three per cent. Corporation incomes were taxed at





**In the long run it's the citizen who must foot the bill for every service he requests of the Government**

40 per cent, with excess profits tax—after allowed credits—reaching a top of 95 per cent, subject to a postwar credit of ten per cent. Excise taxes were increased and multiplied.

For the year 1945 the total tax yield from all sources exceeded \$46,000,000,000.

Yet during the war, in spite of such yields, \$224,000,000,000 was added to the national debt.

In time of war, the Government must take every risk, including the risk of almost unlimited taxation and borrowing. In time of peace, the Government must get back to safe practices.

Up to the present time there have been some adjustments in the rate of corporate and individual income taxes, and the excess profits tax has been repealed. In addition, the tax-splitting benefits previously enjoyed by residents of community property states now are available to all. Nearly 7,500,000 taxpayers have been struck from the rolls by increase of exemptions.

The surplus of more than \$8,000,000,000 realized by the Treasury last year suggests the possibility of further relief—but wait! Expenditures for last year were more than \$36,000,000,000, some four times expenditures for 1939. Huge new expenditures are urged and Secretary of the Treasury Snyder predicts a deficit for this year. The question arises as to whether any system of taxation can be devised which can operate at such a high break-even point. What are the prospects?

Providing money for federal expenditures is often discussed as if it were a simple matter of using a large enough dipper on an assured stream of taxable funds. In fact there is a rather sharp limit to the sources of taxation and to what can be dipped without checking the flow.

One striking truth is that when federal revenues were so vastly expanded during the war, more than three fourths of the yield was from income taxes. Thus in 1945 some \$19,000,000,000 was from individuals and some \$16,000,000,000 from corporations. In 1947, when the yield still stood around \$43,000,000,000, income taxes were responsible for some 70 per cent of the yield, with individuals still paying more than \$19,000,000,000.

The income tax is and will remain the chief reliance of the federal Government. Even so, it presents a difficult question as to the treatment of different kinds of income.

A most notable case is that of capital gains—the dollar profit on the sale of an investment. Such gains are not treated as income in England and are seriously urged not to be true income at all. The United States Supreme Court did not sustain that view. Congress recognized some merit in it by placing a limit on the tax burden, now 25 per cent. That limitation supplies a most desirable inducement to invest in stocks, providing capital so needed for enterprise.

A problem still to be solved is how to treat earned income as contrasted with investment income. Perhaps at least a partial answer may be found in permitting taxpayers, whose years of productive service necessarily are limited, to establish individual retirement

plans with postponement of taxation in some substantial part until the fund is drawn upon, when the exaction would be at a lower rate.

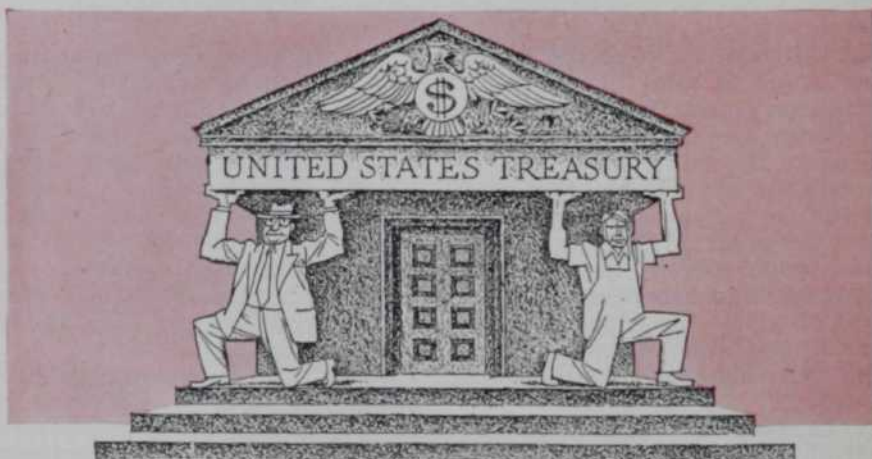
What has sustained the income tax, of course, is the immense activity of business which has raised the national income up to levels reported at \$215,500,000,000. That pertinent fact gives the Treasury a vital stake in promoting the maintenance and development of the national income. That end will be furthered by moderation and justice in the tax. Rates which still rise above 50 cents on the dollar hardly have that effect.

### High incomes near confiscation

SHOULD additional revenues from incomes be required because of expanded government expenditures the only way to get them would be to tap further the national income at the bottom. It is there that the great bulk of the national income is today. The part of the national income coming to persons in the \$25,000 and up bracket is reckoned at little more than two per cent. Complete confiscation of all incomes over the \$50,000 level remaining after payment of taxes would add to the revenue hardly \$500,000,000.

It is essential, however, that the income tax be supplemented with other taxes, for the revenue from income taxes may shrink again as it did so distressingly in the '30's.

Those other taxes already are familiar. Even under the pressure of World War II almost nothing was discovered in the way of new taxes. Liquor and tobacco were carried up to a total of more than \$3,700,000,000, with liquor twice tobacco. Manufacturers' excise taxes yielded more than \$1,000,000,000



**Revenue breaks down if the financial burden is greater than business, industry and the individual can support**



and retailers' levies about half that amount. The gasoline tax produced more than \$400,000,000 but the yield of all the miscellaneous taxes reached only about \$1,600,000,000.

Estate taxes, begun in 1916, supplemented by the gift tax, with the exemption reduced to \$60,000 and the top bracket raised to 77 per cent, where it now stands, reached their maximum yield of something under \$800,000,000 last year.

In 1932, the House Ways and Means Committee proposed the adoptions of a general federal sales

1929, notwithstanding the increase of population to more than 146,000,000. The need also reflects the greatly increased cost of all equipment as well as constant new developments in methods.

In view of this it is surprising that our tax law imposes a penalty reaching 38½ per cent on retained income of any corporation.

This tax is not so repressive as the unqualified undistributed profits tax of 1936, imposed at a time when it was suggested that the productive facilities of the country

rational tax law is a simple provision which will levy a fair tax on all business corporations according to their earnings. Whether the corporation, after having paid its fair tax, shall distribute its funds to stockholders, presently use it for expansion or replacement of its plant, or whether it shall allow its money to accumulate for future use as surplus is a decision for the owners of the business—the stockholders acting through the management they have chosen.

The individual is not told how to spend that part of income remaining after taxes—nor should groups of individuals who have incorporated to do business.

Using the tax on corporate enterprise as a source of revenue is one thing. Using it as a monkey wrench which officials not familiar with practicalities can employ to tinker with business development is another—and scarcely within the scope of an equitable tax program.

Most active business is carried on under corporate ownership and the corporate setup has to change from time to time. Yet without protective provision in the tax law, a mere change in the setup, actually representing no realization of profit, might involve serious tax consequences. New shares of stock received, for example, would be taken at market value as if paid for old shares turned in.

When income taxes grew heavy it was recognized by the Treasury  
(Continued on page 74)

Additional revenues could be raised by further tapping of the national income at the bottom—where the great bulk of it lies



tax with certain exemptions. The tax was worked out on the Canadian model, so that it would rest on only one stage of the line of sale and would not be pyramiding. That proposal was rejected, as a sales tax obviously must be absorbed in prices. Reliance on selective sales taxes was maintained.

Having learned then, from past experience, what the reliable and practicable sources of revenue are, one would retain them for the future, but with a more simplified and efficient administration and a more rational and equitable rate structure.

### Taxes must allow growth

ANY tax program that is geared to the realities of a dynamic economy such as ours must make provision for the needs of tomorrow if we are to continue to make progress or even to maintain our present standard of living.

Economists agree that "at present American industry is in urgent need of huge amounts of additional capital." This is so partly because it is estimated that at the end of 1947 the industrial plant of the country represented less than eight per cent more capital than in

were fully developed, but abandoned in 1938, because of general protest of forward-looking business men and economists.

In spite of some assurances by the Treasury that savings for reasonable needs of the business will be protected, the official regulations assert that the penalty may apply "even though the corporation is not a mere holding or investment company and does not have an unreasonable accumulation of earnings or profits." That assertion applies to ordinary business enterprises not to "incorporated pocketbooks"—amply and totally taken care of by the statute.

Such an assertion creates doubt and anxiety in the minds of managers and directors.

Under the present law the fact that earnings and profits are permitted to accumulate beyond the reasonable needs of the business "shall be determinative" of the penalized purpose, unless rebutted by the taxpayer by "the clear preponderance of the evidence."

The truth is that there is no yardstick for what are the "reasonable needs of the business." That is not a question of fact but a question of business judgment.

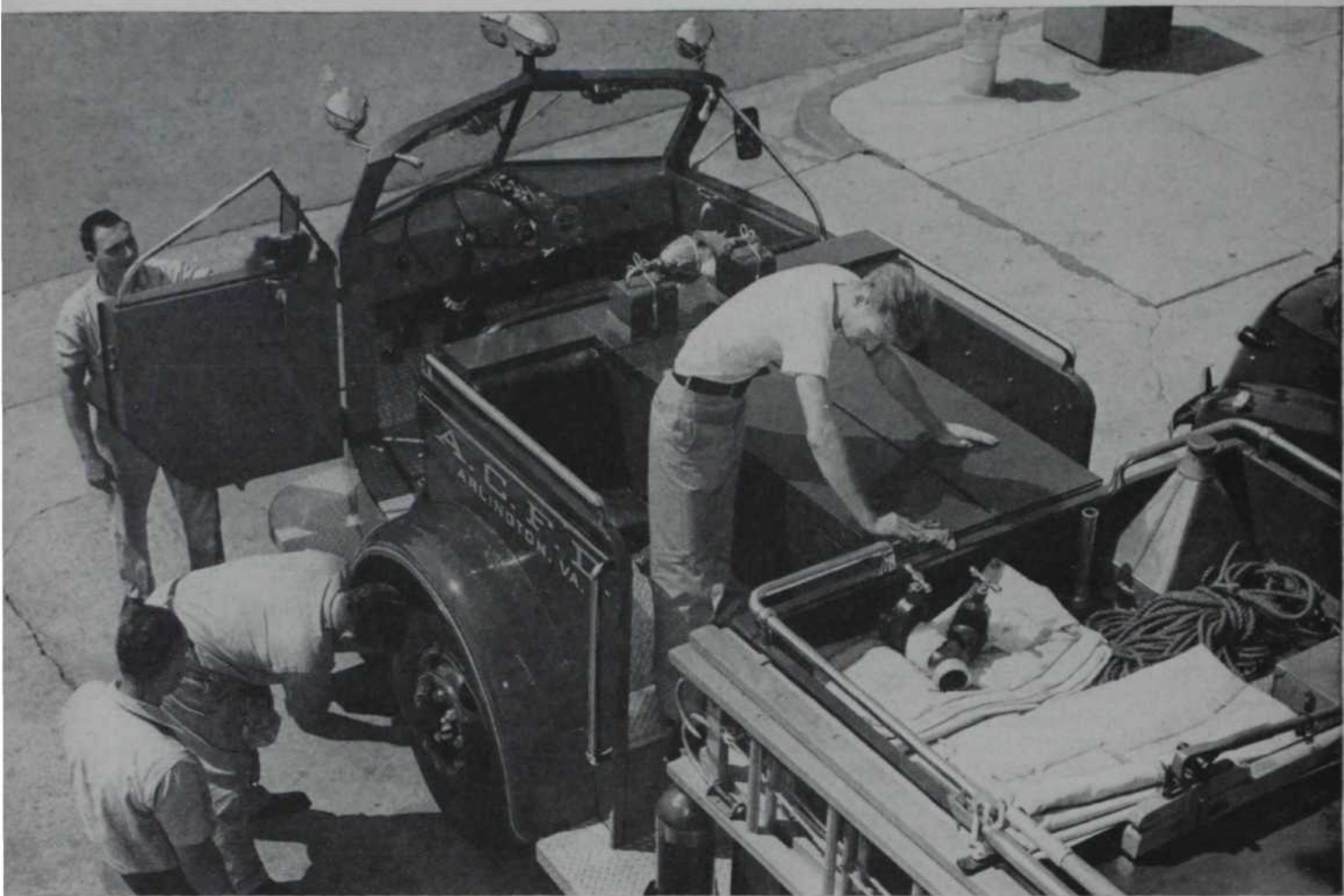
What's needed in any new and

It's certain that Uncle Sam's insatiable appetite won't be curbed until taxes are reduced

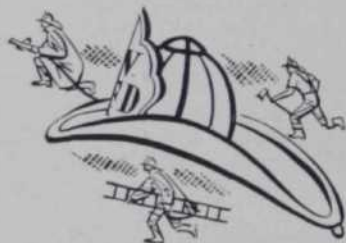




# Fireman, Save Me—



Hand- and later horse-drawn trucks bowed out long ago and now it's strictly modern equipment



**HOW many people know that nine out of ten firemen serve just for the kick they get out of it? Despite being the target of song and gag, they fight most of our fires**

**F**OR 28 rainless days last summer, George Pike of Ashland, Me., watched his potatoes wilt under a merciless sun. Then with Yankee common sense he called the volunteer fire department.

"They're not exactly on fire," he told the chief, "but they sure are burnin' up." Good neighbors all, the firemen saved the crop by dousing it with 10,000 gallons of water from a near-by creek.

City dwellers have somehow got the idea that such fire departments are a nostalgic hangover from a folksy America that disappeared with Currier & Ives. Actually, the volunteers still dominate the community life of half the nation. They also fight most of our fires.

Nine out of ten of America's million fire fighters are volunteers,

otherwise known in the fraternity as "braves" or "vamps." With more and more big industrial plants moving to smaller communities all over the country, our dependence on them is greater than ever and still growing.

The Texas City disaster last year showed what the volunteers are up against. Three of the volunteer force of 30 were sick or out of town. At the first alarm, the others responded to a man and were the first to drag their hoses onto the burning French freighter that touched off the tragedy. Within half an hour, every one of them was dead.

America's vast army of volunteers is composed of units which have little in common except the enemy fire. The National Board of Fire Underwriters puts last year's



# as a Hobby

By JOHN KORD LAGEMANN



Members of many small town volunteer companies enjoy all the conveniences of a private club

toll at 10,000 lives and \$700,000,000 worth of homes, factories and goods. A third of the loss occurred in communities where volunteer fire departments are the rule. Nobody can estimate how much they saved. But the losses suggest that few small communities could invest their time and money more profitably than with the volunteers. In most cases, the savings in insurance premiums alone would more than pay for new equipment.

"Volunteers are like yachtsmen," says Roi B. Wooley, a veteran of the Larchmont, N. Y., vamps and associate editor of *Fire Engineering*. "With a good skipper they measure up to the best professional standards." Besides paid drivers on 24 hour duty, most volunteer outfits that can afford it hire an experienced chief, usually from a big

city fire department, who spends most of his time teaching the laddies how to handle equipment and keeping them in fighting trim.

During the summer, hundreds of volunteers from all over the nation attend the University of Pennsylvania's fire-fighting school at Lewistown, Pa. Purdue University in Indiana offers a course in fire fighting as part of its regular curriculum. The National Board of Fire Underwriters, financed by the leading insurance companies, puts experts at the disposal of any outfit requesting advice on problems of equipment and organization and conducts what amounts to a free correspondence course on fire-fighting techniques.

Taking its cue from Army education in the last war, it is circulating training films which are

being shown to some 300 volunteer groups every month.

But these don't take the place of actual practice. In Larchmont, for example, members spend a minimum of 72 hours a year on drills—and pay for the privilege. "The only thing they balk at," says Wooley, "is the humdrum cleaning and polishing jobs around the engine house."

But man's weakness is often woman's strength. Townsfolk were skeptical when the housewives of Citrus Heights, Calif., organized their own fire department during the wartime manpower shortage. But the women's touch soon won everybody over. "Come on, girls," said the chief, surveying the mess they made in putting out their first fire. The whole company pitched in and gave the place a



spring housecleaning from attic to basement.

In most up-and-coming communities, service with the volunteers is not only a duty but, as the chief points out in his Fourth of July oration, a g-r-r-reat honor as well. The fascination of fire is deep-seated in human nature, and there's nothing like a shiny red engine or a siren in your own car to satisfy some little-boy yearnings few adult males ever outgrow.

For your dyed-in-the-red-flannel vamp, fire fighting is a kind of joyous obsession. Walt Whitman described the feeling when he wrote:

"I hear the alarm at dead of night.  
I hear bells—Shouts!  
I pass the crowd—I run!  
The sight of flames maddens me  
with pleasure!"

The vamp who feels this way lives in a state of constant suspense and no workaday routine can seem dull to him so long as it may be interrupted any moment by the call to action. He keeps abreast of all the current literature

nominal payment for every alarm they answer. Even where members pay dues, they generally get their money's worth in prestige.

Many a small town is run from the engine house, which doubles as chamber of commerce and ex-officio city hall. A professional chief and paid drivers living on the premises usually perform most of the housekeeping drudgery that volunteers dread. Between fires and elections, members enjoy all the conveniences of a private club, which may include luxurious game rooms, ballrooms, lounges, and bars, where even the cops aren't admitted without a guest card.

Where do they get that kind of money? Bingo is an old fireman's stand-by, and so are raffles. Till the State of Connecticut banned it, the volunteers at Old Greenwich used to clean up as much as \$50,000 a single raffle. Carnivals, wrestling matches, and midget auto races are other money-makers. As for the old-fashioned Firemen's Ball, some volunteer outfits, like the one at Larkspur, Calif., have turned it

With community backing, volunteers have little trouble raising funds. But in the face of civic indifference, some have resorted to strange devices. In Long Island recently, the children of several communities started setting off giant firecrackers, roman candles and skyrockets—all grade-A fire hazards long since outlawed. They were sold by the fire department to raise money for new equipment.

In a small southern town which shall be nameless, the engine house caught fire last year after a loud explosion. "Taint no use, folks," the chief told citizens who wanted to save the equipment. When the flames died down they saw what he meant. The fire truck's copper tank had been turned into a still.

### Phones give the alarm

THE party line telephone is the life line of most volunteer fire departments, and no single development of the last hundred years has helped more to keep down rural losses. But it still has its bugs.

"I tell you, my barn's on fire! Will you two old hens get off the line!"

The man was telling the gospel truth and his voice was frantic. But it didn't faze the "two old hens" who put it down as just another trick to get them off the line. They went right on talking while the barn burned to the ground. It happens every year throughout the country. The phone companies now are trying to develop an emergency signal that will cut through party line confabs to reach the operator.

Effective new weapons developed by war and now within reach of the smallest volunteer companies are carbon dioxide released under terrific pressure, a godsend in fighting fires in closed barns; fire-smothering foam produced by introducing aluminum sulphate in the water spray; and fog, which is merely a highly atomized spray produced by more efficient nozzles.

But even these weapons still leave room for human ingenuity. In Waverly, N. Y., last winter, school was just letting out as the volunteer company started fighting a fire in a near-by residence. Chief Donald Tracy called on the whole school to help—by throwing snowballs through the windows.

In farm country, equipment light and compact enough to be mounted on small speedy trucks is stationed on strategic farms or in the highway department's garages. In the last few years, some counties

(Continued on page 66)



With the treasury low, volunteers turn to carnivals or raffles

on new apparatus and when he gets together with his cronies at the station house, he can discuss with equal authority the great holocausts of history or the time Jack Sawyer's lumbermill burned down.

These aren't the only inducements. Many volunteers get exemption from jury duty, a reduction of \$500 or so in their tax assessment valuations, and a

into a regular Saturday night hop which brings in \$75,000 a year.

In the engine house itself, the bar is usually a gold mine and with slot machines and pinball going full tilt, oh my, how the money rolls in. Even after generous outlays for new equipment, free ambulance service, and orphan homes and hospitals, the bank accounts of some well-heeled outfits still run up to \$500,000 or more.





British resignedly "play the game" with complex government reports

# Europeans Are People, Too

By RALPH BRADFORD

Executive Vice President, United States Chamber of Commerce

THE ISLE OF WIGHT rises out of the haze; the big ship maneuvers eastward around it, heads west, curves into the harbor, loses speed, surrenders to the waiting fleet of tugs—and presently you are in England.

In a few more days you will be in Holland, Belgium, France—some of the countries we are worrying about when we talk of the problems of Western Europe. You will find out many things about them—and they will all boil down to the fact that their inhabitants are people.

I had a business man's interest in statistics on production, tonnage and costs, but my main interest was in the human equation. Is Europe a variety of colors on a map, a crisscross of railroads, a bale of statistics—or is it people? One soon begins to find out.

At Southampton the docks are being rebuilt, and there is great

bustle; but the boat train to London is a Victorian relic. Seeing it, a ship acquaintance from Australia burst forth indignantly:

"Look at this ratty train. Here at the very gateway of England you'd think they would try to make a good impression on visitors. But no! They load us into this creaking, wheezing, side-door contraption and—"

But his wife interrupted. She was a lovely lady, obviously colonial but also obviously British to the core.

"Stop it," she said, smilingly, but meaning it. "Keep in mind that

Britain doesn't need to make an impression."

And there, it seems to me, you have the key to much British success—and to some British failure. They are delightful, but smug—almost as smug as Americans.

Right now they are almost desperately smug about their future. They don't quite say so, but you get the feeling that England will muddle through—provided America does its part. This quality of putting the whole business up to us stirs a quick reaction.

"What the devil?" you say to yourself indignantly. "Do they ex-

**WE talk about the continent's problems in terms of policies and dollars, but we may get farther if we turn to the human side**





Unlike most Americans who visit their land, the Scots, young and old, love the cold weather

pect us to underwrite their 40 hour week? Why don't they go to work?"

And then one looks again at bombed-out London, or the income tax figures, or the skimpy portions of an English ration book—and somehow the indignation loses a little of its steam.

IN HOTELS like the Ritz, or at Claridge's, one can get food more plentifully than a year ago—but at a price! Soup, salad and grilled fish with coffee for two at the Savoy came to two pounds and eight—roughly \$9.60 including the tip. That's an expensive luncheon in any currency, and the thought persisted: What of the housewife?

Meat still is rationed, and so are many other things. If you were operating an eating place, this is what you would be allowed: Bacon or ham—one pound for every 112 breakfasts; one pound for every 224 main meals; one pound for every 448 subsidiary meals (that is, teas, or odd-hour snacks). Of sugar you would be allowed one pound for every 128 meals or one pound for every 128 hot beverages served. Of preserves, butter, margarine and cooking fats, you would be allowed one pound for every 112 meals, or a seven pound combined allowance of all those ingredients for every 448 meals!

IN ONE TOWN, I got acquainted with the manager of a small hotel.

At midnight one night I went past his office. He and his wife still were sorting coupons, filling in forms. He showed me one form, all filled in—number of patrons, number of meals, beverages—all the rest of it. "Look at it," he said bitterly. "A whole evening's work, and my wife and I so tired we could drop—and the only true figure in the whole blasted thing is the number of guests."

"What about the authorities?" I asked.

"Look," he replied, "there aren't enough clerks in the whole of England to read these things, much less check them up. But that's not the point. I don't like to lie, to cheat. I'm a good, honest, God-fearing British citizen. I like to play the game with my government and with my conscience. But if I fill these forms in truthfully, and if I never buy any black market table supplies—then my hotel goes out of business, and my wife and I are out of a job!"

The housewife fares no better. In July she gets her ration book for the year. In it is a pink book, for clothing. It is good for six months currently, but sometimes it must last eight. It contains 24 coupons. She gets a like number for her husband.

The values of some items were changed slightly in September, but when I was there in midsummer these values held:

If her husband must have a three-piece suit, it took 26 coupons—two more than his whole allowance. If she needed a skirt and jacket, it took 18 coupons. Suppose she decided to do without her suit, and her husband without his. Then they might go in for the following orgy of buying: Two shirts for papa, 12 coupons; two long-sleeved blouses for mama, 12 coupons; two suits of underwear for papa, 12 coupons; two pairs of stockings for mama, six coupons; one suit of pajamas for each of them—but wait! Those pajamas required 16 coupons, and they had only six left. Shoes? Nothing doing. A pair for mama took seven coupons; for papa took nine. Bed sheets? No good—a pair took eight coupons. No; for their remaining six coupons, they might have two collars for papa, a necktie, and two bath towels. Then they were through for six or eight months.

In the household food rationing book, one person is allowed one shilling's worth (about 20 cents) of meat *per week*. This amounts to about two thirds of a pound. Of this, one sixth must be taken in the form of tinned beef, and of course the total includes fat and bone. In the matter of cooking fats, each person is allowed four ounces of margarine, three of butter and two of cooking fat, a week.

One evening in London I tried a sandwich shop. It was a red-stool-



and-imitation-leather place. I had a small cup of very poor soup, a few strands of dismal-looking spaghetti on a thin square of flinty toast, a cup of tea and a bit of pastry that tasted like slightly sweetened sawdust. The chit was four and sixpence—nearly a dollar! Again I wondered: What of the clerks on eight pounds a week, and the laborers on much less?

On the boat train my wife and I chatted with a charming woman from near Stratford. She was just home from the States, where her husband is an engineer for a British company. She loves England. She was happy to be at home. But her eyes literally filled with tears as she described the cold last winter when she could not get enough fuel to heat her home above 50 degrees.

The British were cold last winter; and although this year may be better they most certainly will not be overly warm. For that matter, they never are by American standards. As for the Scots—

I WILL NEVER be sorry again for a cold Scotsman. If I see him blue with cold, knuckles red, eyebrows frosty, I will spare him my sympathy because I will know that is the way the Scots like to be.

We hit the British Isles during a cold spell. London was bad enough, but we went right on up to Edinburgh, where it was positively polar. In each room of our small hotel there was a contraption called an electric fire. The guest inserts a shilling in a slot, which gives him about an hour's lease on a feeble glow from a coiled element. By putting on our long underwear and donning sweaters and coats, we achieved a subsistence body temperature. When we went driving in the Trossachs or through the Abbey country, we wrapped ourselves in blankets and kept our feet on hot water bottles.

Meantime, the Scots went gaily about their business, sans coats and sans shivers. Teen-age girls pumped past on their bikes, legs bare and faces shining. Old and young, they loved the cold.

One evening my wife and I were given tea in the home of the manager of the Edinburgh Chamber of Commerce, W. V. Stevens.

He is a delightful chap, with a pleasant and charming wife. As usual, we were freezing. The living room was heated by an electric fire. It had two elements. Perceiving that we were chilled, our hostess turned on the second element. But soon our host, in quite apparent discomfort, asked if he might not turn off one element, since the room was getting so hot.

As we chatted about conditions in America, my wife happened to mention that during the war we were asked to reduce the temperature of our homes to 65 degrees. At that our hostess, with genuine concern in her voice, exclaimed, "Good heavens—didn't you swelter?"

But the chill of hotels and homes did not extend to Scottish hearts. The people were disarmingly and pleasantly friendly. A conductor on a tramcar went out of his way to give me a lesson in making change quickly in the British coin—remarking the while, with a twinkle, that there were no longer any tuppence to be had in the United Kingdom because the GIs had carried them all to the States to put on their sweethearts' charm bracelets.

And one day up in the heart of the Trossachs we stopped at a little stone tavern—the King's House Inn. After luncheon I stepped into the small parlor, and found three ruddy-faced, knickered men grouped around the fireplace. Three Englishmen would have averted their eyes and maintained

a frigid silence until I broke the ice, whereupon they would all have been friendly and cordial. But not the Scots.

No sooner had I entered the room than the three of them almost in unison hailed me with a cheery and burry greeting. Then they plied me with questions as to how I was enjoying my trip to Scotland; and had I visited Abbotsford; and yon Abbey country, now, did I like it; and what of Edinbor-r-ro—wasn't it the bonnie town now? And had I seen the Castle and paced the Royal Mile; and did I like Holyrood House—?

At that I had to say that, unfortunately, since the High Commissioner was in residence that week, we had not been able to visit Holyrood House. Whereupon one of the trio said:

"We can fix that. Hae ye a card?" I produced my business card. On it he wrote: "Dear Patterson: Will you please arrange for Mr. and Mrs. Bradford to see the Castle and Holyrood House. They are on a quick trip from America. W. A. Ross."

"If ye'll just hand this to Mr. Patterson in St. George's Place," Ross burred mildly, "I think it will do the trick."

Later, I inquired about Ross' identity. He was the director of public works for Scotland.

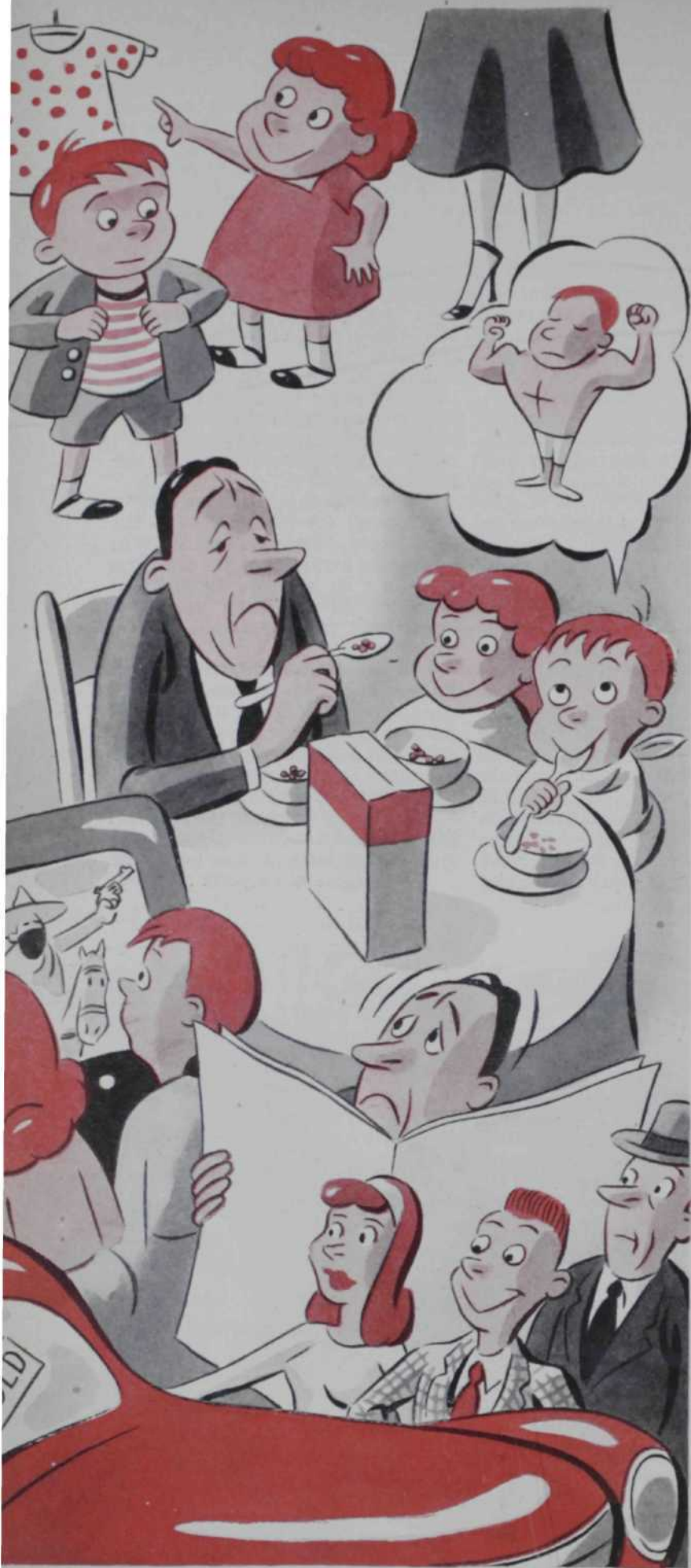
Then there was the gatetender. I love railroad stations. British stations especially I like—because  
(Continued on page 90)

Standards cherished over the years remain alive in the minds of many people





# Jack and



A NEW YORK man, for years engrossed in his dressmaking business with a \$1,000,000 a year turnover, discovered with some astonishment recently that his only child had reached the ripe old age of five. High time, he thought, to get her views on his chief product, an inexpensive child's frock of simple design.

"I won't wear this, Daddy," she cried. "It doesn't have pockets like the big girls' dresses have!"

Doting Daddy indulgently ordered a couple of simple patch pockets added to the garment at a trifling cost. Sales skyrocketed overnight.

The story went the rounds of the trade and the tycoons nodded sagely. Many a fortune, they remarked, had been made through such simple, chance devices. They'd long known the importance of youngsters' attitudes in the success or failure of their products.

But it's only in the past few years that American business as a whole has awakened to the fact that Junior and Sis together can make—if not break—an industry. In a nutshell, there are 28,280,000 boys and girls between the ages of eight and 20 in this country, and they spend directly, out of their own pockets, some \$4,500,000,000 a year. This means that each has pocket money, earned or given by parents, averaging \$3 a week.

More important is the fact that they influence the spending of family funds conservatively estimated at \$20,000,000,000 a year and upward. There is a bonanza beckoning to the new gold rush of '49—twentieth century version.

It's hard to tell exactly when or how this vast pool of dollar-power started forming, though it is strictly a phenomenon of the present generation. Progressive education, the radio, the growing number of magazines devoted to juvenile interests, and the world's highest standard of living probably account for most of it. The kids are smarter, many educators say. Mother and Dad concur secretly, but delightedly, while they fretfully complain that their offspring have taken the bit in their teeth and there's no stopping them.

In the days when husband and wife called each other Mister and Missus, the Old Man kept a firm hold on the family purse and supervised the marketing, even to selecting the pot roast for Sunday dinner. Whoever ruled the purse, ruled the household. With the so-called emancipation of women, the wife began to take over some of the prerogatives. Authority and responsibilities were divided. It was a good time for the youngsters to step in to have their say—and they did.

The elders got fair warning of the things to



# Jill Fill the Till

By PETER J. WHELIHAN

come when, more than a decade ago, the breakfast food companies began to bombard children with clever propaganda. In comic strips and books of funnies they intimated that bulging biceps, brilliant minds, handsome masculinity and feminine beauty were the rewards for those who ate their products. On the radio, the heroes of the horse operas and chiller-dillers owed their virtue and valor to the porridge they downed every morning.

It wasn't long before millions of fathers and mothers, who once thought they ruled the roost, were breakfasting daily on a variety of grains, leaves, fruit seeds and what not, just so their importunate kids could send in box-tops for premiums. The enormous financial successes of the breakfast food concerns led others to ballyhoo their products similarly. A new pattern of American family life took shape.

## Advertising to the kids

AT present more than \$8,000,000 a year is being spent on the better known radio programs directed exclusively to children. Many times that amount goes for programs slanted to both children and grownups. There are between 160 and 170 comic books in publication with a combined circulation of 50,000,000 a month, most of them with advertising beamed to juvenile minds. This is in addition to the many comic advertising strips carried in the newspapers.

The effect of such concentrated appeal is enormous. Today Junior and Sis have a lot to say about what goes on the luncheon and dinner table. Careful surveys reveal that teen-age daughters are spending about \$35,000,000 a week out of the family food budget. Almost 90 per cent of them do the daily marketing—and a goodly percentage of them admit to padding Mother's lists with items of their own choosing.

It doesn't stop there. Look what Junior has done to Dad's wardrobe,

to his tastes in sportswear, ties, socks, shirts and shoes, particularly when those outfits could fit Junior in a pinch! Sis has accomplished almost as much in dressing Mother, with the same motives, in addition to winning almost complete independence in the choice of her own wardrobe.

Junior now has Dad lathering his beard, shaving and dousing his face—and it's pretty red sometimes—with the kind of lather, razor and lotion Junior likes best. Sis has converted Mother likewise in the cosmetics department.

But why let it go at that? The children are just hitting their stride. Authorities say a good 75 per cent of family automobiles, exclusive of those used partially for business, are bought on the preferences of teen-agers. Hence it's a cinch for the youngsters to decide the type of radio, the furnishings of their own rooms and even the refrigerator to be bought. With a startling knowledge of trade names and product performances they have little trouble convincing their elders.

Surprising illustrations of juvenile influence in merchandising are found. Last year the manufacturers of Kolynos toothpaste, a dentifrice with steady sales, decided to make a pitch for the kids' market. After careful study, they

decided to replace the conventional tube cap with one fashioned as a clown's head. Instead of unscrewing the cap as of old, the user merely had to tilt the clown cap, under which was a slot through which the paste could be squeezed.

It must have been a terrific struggle. Imagine grownups who had screwed and unscrewed toothpaste caps most of their lives suddenly confronted with a trick gadget and a clown grinning at them first thing in the morning! Here again the kids won. In six weeks Kolynos sales increased by 233 per cent.

Coca-Cola has kept its place in the soft drink field for years by directing its appeal to the younger consumers through such media as educational studies of basic industries graphically presented and distributed in schools, physical fitness programs, broadcasts of local sports events, and ads in publications circulated among students.

To get specific facts on the juvenile buying power, Archie Comics Publications, Inc., recently had the Gilbert Youth Survey Organization of New York make a study which turned up the information that American children each week consume 230,000,000 sticks of gum, 190,000,000 candy bars, 190,000,000 ice cream bars and 130,000,000 soft drinks. Some youngsters were



**DAD still holds the family purse, but it is only a token possession, with the kids deciding what will be bought and when**



found to be eating 50 candy bars a week. One refined, middle-class mother, admitting her boy did just that, suddenly exploded:

"How in hell can I stop him?"

Among all those surveyed by the Gilbert outfit, one case of sales resistance was found. A six-year-old boy said he listened to the radio once upon a time, then thoughtfully added:

"It got so silly I quit."

Most merchandisers say teenage customers have a solid knowledge of the products they seek. That's probably because they read, remember and compare notes with their pals. And they keep abreast of the times—a Chicago merchant credits 85 per cent of his television set sales to them.

Your modern teen-ager is well read on topical matters and you can't talk down to him or her. There are the jitterbug fans, of course, but most of the youngsters, most certainly those in school, are serious-minded. They are just about as interested in international and domestic politics, and the implications of the atomic bomb, as they are in the lighter side.

You'll find them crowding the galleries of the United Nations' halls at Lake Success, N. Y. At the Democratic National Convention in July, an 18-year-old boy, Truman Williams, was a fully accredited delegate from Georgia, a state which has seen fit to grant the right to vote to citizens his age.

Still further evidence—perhaps a contributing cause—of the modern teen-agers' early maturity is the high school and college courses on sex, marriage and family relationships, taboo subjects not long ago. Outstanding is the one at the Toms River (N.J.) High School, where 90 well adjusted boys and girls mingle daily in a class where they discuss and hear lectures on the fundamental problems of living—marriage, parenthood, family life and social adjustment.

Educators and youth psychologists express delight at the teen-agers' assumption of influence in family affairs, but no more so than Mrs. Elsie Stapleton, a nationally known budget adviser. For years she has urged parents to take their children into their confidence on financial problems.

"In so many cases," she said, "I found much of a family's difficulty was due to parents spending beyond their means to meet the chil-

dren's demands. They seemed afraid to admit they weren't as well fixed as the Joneses, afraid the knowledge would have a damaging effect on their sons and daughters.

"The fact is that children suffer most when they are allowed to live for years beyond the family means and then suddenly face the cold facts. If they are made members of the firm, and get the true picture, almost invariably they'll put their shoulders to the wheel."

### Children join conference

MRS. Stapleton told of a professional man and his wife, living beyond his \$14,000 income, at last calling their two teen-aged children into a conference. They told the boy and girl how much money was left after living necessities were paid for, and how that surplus had to be spent. To make a game of it, they set up a Wishing File, where each family member could place a written request each week for a desired expenditure. A family vote decided which request would be met. The scheme is working well, although to date the children have vetoed middle-aged Dad's attempts to buy an airplane so he can become an aviator!

Now that the bonanza of the youth market has been discovered,

rate appeals are made. Two Memphis stores have cashed in by setting up youth clubs in soundproof rooms where parents are barred and the youngsters can freely take down their hair. The stores supply desks, stationery, magazines, books, phonograph records and other diversifications and there are soft drinks at the bars.

Somewhat similar tactics are used successfully by Rich's of Atlanta, Gimbel's of Philadelphia, Hecht's of Washington, Ernest Kern of Detroit, Kresge of Newark and The Fair of Chicago.

The juvenile customers demand equality with grownups in their shopping, and they're getting it. The Neiman-Marcus store in Dallas operated a young people's department along with the infants' and children's, with little business developing, but when the department was set off by itself, with special entrances, sales boomed.

Some stores have gone farther and set up "swoon rooms," "trysting trees" and other rendezvous for their juvenile customers, with young women as hostesses. Perhaps the most elaborate bait of all is set out by Robert Simpson & Company of Canada, Ltd., where 10,000 boys and girls have attended a single dance. The company provides dance orchestras for 50 teenage clubs in the Toronto area with a total membership of 30,000.

Not only the big stores are after the kid trade. The pharmaceutical industry not long ago spent \$250,000 on a public relations campaign, much of it beamed to high school students, with the aim of attracting them to the corner drugstore to make that institution a community center. It worked so well that parents recently have been asking how to keep their offspring from spending all their pocket money there.

Most any teen-ager can identify an automobile a block away and he can rattle off its performance record without effort. So the auto makers are making a play for his favor. Pioneering in that field are Chevrolet with its Soap Box Derby and Fisher Body's Craftsman's Guild. The Derby is run annually at Akron, Ohio, with boys of 11 to 15 competing. Top winners get college scholarships. The event has become a sort of World Series to boy auto fans.

The Craftsman's Guild for years



### Big and little stores are competing for a slice of the teen-agers' gold

Big Business is going after it. Every major New York department store has floors assigned to teen trade. Sales people have been instructed in many places to direct their talk to the youngsters even though parents are present.

"The kids show excellent judgment, sometimes even better than their parents," one executive said.

In other cities even more elabo-



THE Alaska Railroad would be a good line—if moose and vagrant storms would stop their capers



# The Road Nobody Wanted

By BEN PEARSE

**A**LASKANS used to make two claims for their only railroad: that it was the most scenic in the world—and the worst.

Their claim to scenic supremacy was open to argument, perhaps, but the reputation for unreliability was unchallenged. The road never ran on time, which frequently applied to the day as well as the hour of arrival or departure. Its record of being out of commission 28 days in one month may never be surpassed.

Never a good road, five years of hard use during World War II left it in a state bordering collapse. Paradoxically, the breakdown came at the time circumstance was making it more important than ever to the Territory and to all of America. Our ability to put up a defense or wage counter measures in a future war, in which Polar routes will be the bombers' milk run, is linked with the efficiency of the Alaska Railroad.

Both the Army and the Air Force

regard the railroad as vital. At Anchorage are Fort Richardson and Elmendorf Field, together the largest military establishment in the Territory. At Fairbanks is Ladd Field, and 26 miles south Eielson Field, our new B-29 base.

Starting at Seward on the southern coast of the Alaskan mainland, the line follows a tortuous course northward toward Anchorage at the head of Cook Inlet. Circling and making a figure "8" to gain altitude, it rises nearly 1,100 feet and drops to sea level again in the first 64 miles. It dives through six tunnels, crosses seven gorges on shaky wooden trestles, skirts three glaciers, and climbs one grade so steep a ten-car train has to be pulled up five cars at a time.

From Anchorage, the road winds on and up through Broad Pass beside Mount McKinley, highest peak on the North American continent, and down again into the valley of the Tanana River, a tributary of the Yukon, to Fairbanks, the cold-

est region in the Territory, 100 miles below the Arctic Circle.

This 470 miles of standard gauge track is the only rail link between the all-year ports on the Pacific and the interior, of which Fairbanks is the hub. The Territory's most fertile farming regions, the Kenai Peninsula around Seward, the Matanuska Valley northeast of Anchorage, and the Tanana Valley, lie along its route. So do coal, gold and timber. The major portion of Alaska's year 'round population of some 90,000 is concentrated in this Anchorage-Fairbanks area.

Harold Ickes, then Secretary of the Interior, was trying to make up his mind what to do about the railroad one morning shortly after V-J Day, when a tall man, with the build of a football tackle, walked into his office. He said his name was Johnson, and that he had heard the manager of the Alaska Railroad was soon to retire. He wanted the job. For experience, he cited 24 years with the Atchi-



son, Topeka & Santa Fe and four years in the Army's Transportation Corps. He got the job.

Almost the day he joined the Army back in September, 1941, John Patrick Johnson was hustled off to the Middle East to prepare the way for lend-lease supplies to Russia. He started to rebuild the antiquated Iraq state railroad, but had to abandon that project when the Turks refused transit for munitions. Moving on to Iran, he surveyed and planned the renovation of the state railroad from the Persian Gulf to the Caspian Sea, which became the main artery of supply for the Eastern Front.

For these doubtful economies, Alaskans have been paying in the form of high freight rates ever since the line was completed, officially that is, in 1923.

Riding over the road for the first time, Colonel Johnson could count the culverts with his eyes shut by the rise of two or three feet over each one. For lack of drainage, each thaw and freeze formed sheets of ice over the tracks thick enough to derail a train.

The Colonel found enough Diesel locomotives and steel cars in war surplus stocks to fit out his road completely without cost, except for modification and shipping charges. In six months, engine and car handling efficiency jumped more than 50 per cent.

While construction of new shops and warehouses was getting under way, a site on railroad property was cleared, and water and electric lines laid for a housing project.



NISHERBARGER & WILLIS

Vital to the Army, the 470 miles of track cover a nightmare route of curves, grades and tunnels

As transportation boss of India, he rebuilt the obsolete Bengal & Assam Railroad connecting Calcutta with the air route over the "Hump" to China. His last assignment had been to restore the war-battered railroads on Luzon for the reoccupation forces.

The Alaska Railroad was started in 1902, but never finished. The Alaska Northern Railroad Company tried to build a line from Seward to the Matanuska coal fields, 185 miles in the interior. It failed in 1908 with only 71 miles of track laid. The federal Government took that over in 1915, when it undertook to build the line to Fairbanks, to open up the country as well as tap the coal fields.

Parsimony was a watchword from the beginning. Machinery and rolling stock worn out on construction of the Panama Canal were unloaded on the Alaska Railroad. Native timber, mostly untreated spruce, was used for ties, bridges and trestles. The road was "pioneered" through, leaving five per cent grades and 14 degree curves that were never corrected.

Appalling working conditions had wrecked labor morale. Car repairs at Anchorage and Fairbanks were made in the open, which in winter might mean anything down to 70 degrees below zero. One building at Anchorage had four wash-bowls for 150 men. Housing was far below standard. Employee turnover in some departments ranged up to 90 per cent a year.

Whipping together a rehabilitation program, Colonel Johnson flew to Washington and laid it before congressional appropriations committees. He proposed to junk the wooden rolling stock and old locomotives and replace them with steel and Diesel engines, saving 85 per cent in maintenance manpower and cutting fuel bills.

Regrading, replacement of old ties, better drainage and greater ballast would cut track upkeep from nearly \$4,100 a mile to about \$2,300.

Approval from an economy-minded Congress for a \$34,000,000 program indicates the businesslike impression Colonel Johnson made on the committees.

Quonset huts and other temporary structures have been erected. Dormitories for unmarried employees, a hospital and recreational facilities are in use.

Meanwhile, a labor relations department was set up to standardize job classifications, negotiate wage agreements, and reconcile conflicts between railroad practices and government regulations.

The road employs approximately 1,800 persons during the winter, and about 2,800 in the summer. About 25 per cent are Indians and Eskimos.

Colonel Johnson's rejuvenation program won't be completed for another year, perhaps two. When it is, the freight capacity of the road, which has been raised from 23,000 to nearly 100,000 tons a month, will have reached 150,000 tons a month. The Army estimates the latter figure will suffice for its dry cargo needs even in an emergency.

Weather and the moose remain the Colonel's most persistent and freakish foes. Shortly after he took

(Continued on page 77)



# Hollywood Starts Over

By BOSLEY CROWTHER



CRONENWITH

PARADOX of an industry which is publicly popular but privately in disfavor because of the misbehavior of a few of its workers

IT IS A strange, almost weird, coincidence that the American motion picture industry, which has every chance of being one of our most popular and respected industries, should just now be suffering a setback of public favor and trust similar to that which it suffered at about the same interval after World War I.

Then, through a grave accumulation of unsavory films and episodes, culminating in the "Fatty" Arbuckle affair of 1921, the motion picture industry was dragged into such public disrepute that it was forced to the sternest step in its brief history to save itself from becoming a public charge: it induced the politically prominent Will H. Hays to be its "czar" and then launched upon a program of "housecleaning" to dispel both dirt and doubts.

The move was desperate but successful—at least to the extent that it staved off what loomed as condemnation proceedings by righteous elements of the citizenry.

Will Hays put the house in such order as to give it a respectable air and thereafter managed to placate the watchful neighbors by periodic administration of moral "soap." It was notable, however, that these administrations were applied to the product of the industry, in the main, rather than



CRONENWITH





The making of "Life With Father" made friends; U. S. inquiry into Red infiltration drew forth suspicion

to the countenance which the industry presented to the world.

Today the motion picture community is again under a gathering cloud of public annoyance and suspicion which has a most ominous appearance to many thoughtful people in the industry. Positive evidences of it have been the vigorous objections raised by numerous communities and organizations to the moral laxness of several postwar films, plus a strong undercurrent of disfavor toward some hapless personal acts in Hollywood. This upsurge of public criticism, symptomatic though it may be of a combination of ferments, has been punishing to the industry.

Another—though negative—evidence of the current attitude has been the public's conspicuous indifference to the industry's international snarls. The outspoken efforts of Britain—and other nations—to block from their screens a goodly portion of American pictures have apparently left our public cold—despite earnest protestations by prominent American film men that any enforced curtailment will seriously affect production.

A further significant indication of the public's peculiar distrust was in the general reaction to the congressional investigation of Hollywood. Excepting a few fanatics, there are few who really think that American Communists or "fellow travelers" are in the way of taking over our screen or even fouling it with sly injections of "Red" philosophy. Most people feel fairly certain that there are no more Communists in Hollywood—or in the American motion picture industry—than there are in any business. Beyond that, they're reasonably confident that, even if the Communists tried, they could never

pollute our pictures to the extent that the hullabaloo of the investigation implied.

Yet, oddly enough, the general public accepted with a strange docility the recriminations that were hurled at the films and their people by the investigators of the House Un-American Activities Committee. Instead of a wave of resentment at the insults and innuendoes thrown, the public reacted to the proceedings with bland amusement or wistful disgust. Even articulate comment on the hearings was much less concerned with the charges against the defendants than with the conduct of the hearings themselves.

As to the conduct of those investigated, most people seemed to feel that a rather poor show of propriety, under the circumstances, was put on all around and that a disagreeable proceeding was made more so by ballyhoo. The impulse of skepticism was just as strong toward those who made elaborate gestures of wrapping themselves in the folds of the flag as toward those who resisted the committee's question of whether they were Communists. Indeed, a startling disposition of annoyance against the industry was unmistakably uncovered by that business in Washington.

This sudden revelation both alarmed and distressed the industry and has led to much baffled introspection and querying as to why it should have been. Why, in a time of crisis, should this curious misanthropy crop out against an industry and a group of people which should actually be admired? Plainly it is not because the public is antagonistic to movies as such. There is probably no product manufactured toward which there is a stronger inclination of warmth and friendliness. It appears



that the American public—or a good 60 to 70 per cent thereof—tolerates with amazing amiability a high percentage of doubtful bargains from its screens.

And certainly the general public is in reasonable accord with the management policies of the industry, so far as it understands them. Except for recurrent grumbling about prices (grown louder of late) and occasional outbursts of beefing against some local exhibition practices, there is plainly no resentment against movie management of a sort that would aggravate hostile feelings. Why, then, should these emerge?

### Opportunistic publicity

ACTUALLY, the present dilemma derives, in the last analysis, from the incredibly loose and indifferent public relations of the industry as a whole, neglected from its beginning and not just at any critical time. Vigorous and opportunistic in their day-to-day publicity and in their ways of attracting the attention of the customers to what they have to sell, the separate film-producing companies have been surprisingly lax in putting together and promoting a broad institutional program for building admiration and confidence in their responsibility. Despite their dutiful maintenance of the Motion Picture Association of America, the organization which Hays constructed and which now has Eric Johnston as its head, they have failed to realize on the potential of their own trade association.

This is the more amazing when you consider that the film industry is far from the mushrooming business that it was after World War I. Today, with capital investments of more than \$2,500,000,000 in theaters, studios and supplementary services, returning an annual gross revenue of approximately \$1,800,000,000 in the domestic area alone, the motion picture industry is a vast and established form of enterprise, importantly set in the pattern of the American economy. Furthermore, by the nature of its product, it is inescapably bound to the cultural life of the nation. This places it conspicuously in the

eyes of those elements interested in advancing educational and spiritual growth.

Yet persistently this industry has allowed itself to appear in the garish illumination of Hollywood publicity. It has continued to let the old conceptions of Hollywood as a place where most social life is conducted in divorce courts and swimming pools be spread before the public. It has willingly fostered the myth that its people are all fabulously wealthy and live in untold luxury. It has also—though grudgingly—permitted some of its people to get away with occasional personal behavior that has offended public morals and taste.

At first glance, this sort of publicity would seem to be the result of the ostentation and indiscretion of individuals alone. But a careful analysis of the business reveals that most of it stems from the techniques of exploitation which the studios still employ. These are the techniques of making the movie people's lives the intimate interest of the public as a definite promotion to trade. It is actually the failure of the companies to insist upon discretion and restraint both in this type of exploitation and in consequent conduct that is the crux of much of the woe.

As a matter of fact, the basic problem of the industry's public relations is to offset the long-range conditioning of its day-to-day ballyhoo—and this is more than a problem; it approaches a paradox.

The industry trades in entertainment, just as the various sports industries do, and it naturally tries to make capital of the colorful and exciting personalities whom the public observes in it. But the commodities sold by the movies are chiefly glamour, adventure, romance—elements largely lacking from ordinary lives. So a large portion of the public which patronizes the screen likes to think of the movie people as being glamorous and adventurous themselves, just as the sports-going public likes to think of athletes as clean, sporting and brave.

At least, this expectation has been so carefully fostered over the years by the Hollywood press agents that it is now their continuing task to get as

(Continued on page 87)

Public brawling on the part of a few has served to detract from the fact that others, such as Gregory Peck, lead a quiet life with their families





# The First Year of

**A**S THE OLD closed-shop contract of a Midwest street railway was about to expire recently, the union demanded that its members authorize the continuation of check-offs. Any member who wanted to resign, it said, could do so by payment of \$100. Two or three members refused to comply. They were dropped by the union, which then demanded that the employer dismiss them according to the terms of the expiring closed-shop contract.

The employer refused on the grounds that the union obviously was seeking to continue its hold over employees which would be prohibited when a new contract was drawn up under the Taft-Hartley Act.

On the other hand, in northern New York, a local union, through threat of a strike, forced an em-

ployer to sign an illegal closed-shop agreement. Although this action may eventually cause him a considerable headache, he apparently preferred risk of future discomfort to immediate disturbance of his business.

Such incidents are understandable. The Sherman antitrust law was passed nearly 60 years ago and men still are trying to find out what some of its provisions mean and how far others will stretch. Therefore, it is not surprising that, with the Taft-Hartley Act only a year old, men should be testing some of its provisions and seeking means by which they can remain within the letter of others without giving up old practices which the spirit of the law would prevent.

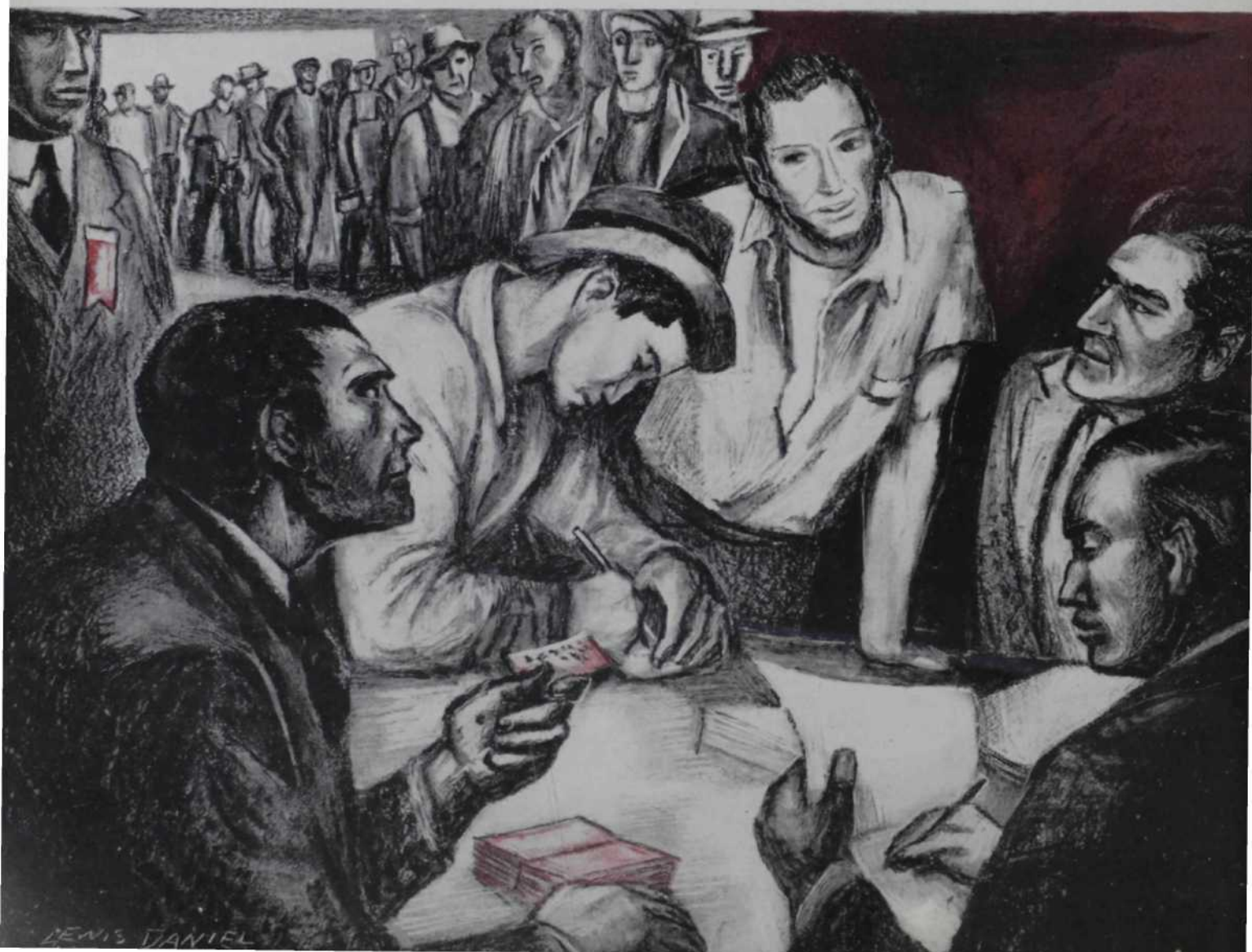
Some of the devices for preserving the status quo are ingenious because labor's legal talent today

is quite as competent as that of management and, in some cases like the one in northern New York, management is cooperating.

How many of these devices will stand up when tested before the National Labor Relations Board or the courts, no one can say at present. Some of them undoubtedly will. Just as certainly some won't. Meanwhile they constitute an interesting study for the business man who wants to keep abreast of developments in labor-management relations.

Two sections of the Taft-Hartley Act seem to have inspired the greatest amount of excitement. They are the provisions which outlaw the closed shop and permit employers to sue unions.

Since loss of control over the labor supply is one of organized labor's greatest fears under the





# Taft-Hartley

By ROBERT N. DENHAM

new act, it is not surprising that means of maintaining the closed shop in disguise have been widely sought after.

For instance, a chain store operator has signed a contract which provides that new workers must be taken from the union hiring hall. The union—which has not complied with the anti-communist provisions of the act—agrees that the hall's facilities will be available to union and nonunion workers alike. But the contract also provides that the first four weeks of employment will be a probationary period in the course of which either the union or the employer may discharge the new workers. It would seem that this setup effectively prevents permanent employment of nonunion people.

This type of contract is also be-

hall, was heard before a trial examiner for the Board and finally decided by the Board itself in a decision holding that insistence by the unions upon inclusion of a hiring hall provision in the contract is an unfair labor practice under Section 8 (B) (2) of the Act, and that making the hiring hall a condition precedent to a contract is an unfair labor practice under Section 8 (B) (3).

Notwithstanding this decision both the operators and the unions subsequently entered into contracts preserving the hiring hall until it shall be outlawed by a decision of the Supreme Court.

The law neither requires nor authorizes the General Counsel to police the terms of agreements between employers and unions but does require him to prosecute violations of the law arising from car-

rying out the terms of such agreements. In this instance he has served notice that he regards such contract provisions as completely beyond the law and that he will vigorously prosecute both employers and unions for any discriminations arising under them.

The International Typographical Union has developed three hiring hall formulas, the most recent of which is that accepted by the commercial printing industry in New York and subsequently applied in Detroit.

This newest formula provides that the shop foreman—a union member—is in sole charge of hiring and that a new employee either must be a graduate—in the case of New York—of an apprentice school operated in connection with the public vocational school system where union members play a lead-

**THE FIRST year under the Taft-Hartley Act has brought answers to lots of questions. It has also posed others for which solutions are sought**

ing submitted to several New York department stores.

The current formula which is even more insidious is that of preserving the illegal closed shop relationships in the contracts and agreeing to abide by them until the Supreme Court shall have ruled upon their validity. That is the situation now existing in the coal industry—and has been copied over into the shipping industry.

For years, the seamen's and longshoremen's unions have controlled employment throughout the industry by means of the hiring hall technique.

Insistence on the continuance of this technique was the real basis of the strike threat that led to the President's emergency injunction of June 14, 1948.

During the 80-day period while this injunction remained in effect, the Great Lakes Tankers case, involving the legality of the hiring





ing role in the instruction, or have a certificate of competency from boards of examiners in which there is similarly a strong union influence.

An NLRB trial examiner has ruled this formula illegal and the matter is now on appeal before the Board. In the meantime, New York employers have withdrawn from the complaint proceedings and have accepted the situation. Employers in Detroit, Chicago, Philadelphia, Newark, Pittsburgh and St. Louis, however, still are pursuing the complaint that this form of contract is an unfair labor practice.

Not all efforts to maintain hiring halls are this obvious. In some cases cooperation of employer and union has led to agreement that the union will supply the employer with qualified men, when and if he requests them.

Inherently there is nothing wrong with this sort of provision. The employer is not committed to make a request, but the inclusion of such a clause seems to imply that the employer will look for new people in the old hiring hall.

Another, not uncommon, arrangement is one by which the employer agrees that, in filling

vacancies, he will give preference to persons whom he has previously employed. But the fact that, under a closed-shop agreement previous employees were union members, makes the direction of this intent fairly obvious.

Another means by which unions have sought to control the labor supply is to interpret, with management's acquiescence, the maintenance of union provisions of the law in ways that set up essentially a closed shop. Actually, the Taft-Hartley Act requires only that, when a union shop has been voted by a majority of eligible employees, a worker after 30 days must contribute to the financial welfare of the union. Whatever an individual's relations with the union may be, failure to pay his dues is the only cause for which the union can demand his discharge.

A number of employers signing contracts with union-shop provisions have stipulated that these provisions are not effective until approved in a supervised election. They are, of course, on safe ground.

Many employers, however, mostly smaller ones, have signed such contracts without the procedure of an NLRB election. This and the loose, informal interpretations giv-

en in many instances by unions and employers alike to this phase of the act constitute, perhaps, its most serious contravention. Already complaints arising under this practice are coming to NLRB offices and are being prosecuted.

An eastern company, for example, signed up for a closed shop on assurances by the union that a "substantial" number of employees wanted it. A company in the Midwest agreed with the union that no person eligible for membership could work more than 30 days without joining up. A contract signed by an eastern manufacturer has a clause to the effect that employees "shall be expected" to join the union.

Although there has been some talk in Congress about eliminating the requirement for a supervised union-shop election in cases where both the employer and the union agree, nothing has been done. In the meantime, the law means what it says.

### Pressure on workers

BUT in spite of what the law says, contracts continue to be written—some of them in lengthy verbiage which may or may not pass the test of legality—putting pressure on the worker to join the union.

Under what is known as the "Milwaukee Plan," a company expresses the opinion that 100 per cent union membership will promote harmonious relations and better production. Under the so-called "harmony" clause in its contract, a southern food company agrees to encourage union membership without making it a condition of employment. Some employers have gone so far as to agree to discharge an employee for "anti-union activity."

There would seem to be some indirection in a contract which provides that, after a 60 day probationary period, the union must accept an employee except for "some good and sufficient objection" to him. Should the union object, the employer's refusal to discharge the worker becomes a



A worker has to kick in when he receives two pay checks, one covering his union dues



"Energy and persistence conquer all things"—BENJAMIN FRANKLIN



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THERE are few tricks that haven't been used to promote public relations. Ford found a new one in a mythical newspaper city room



# The Paper That Nobody Sees

By ANDRÉ FONTAINE

**W**HEN A MAN buys equipment, hires enough reporters, editors, photographers, librarians and office workers to staff a large newspaper, puts them to work and winds up without a newspaper, you might suspect his sanity. You could be wrong.

The Ford Motor Company has done just that. For more than three years the staff of the Ford News Bureau has been putting out what perhaps might be called the world's greatest unpublished newspaper, an activity that is becoming increasingly recognized as one of the most successful public relations methods in the country.

If you ask Detroit newsmen to what they attribute Ford's success, they'll snap back, "Charlie Carll." They're talking about Charles E. Carll, a tall, 41-year-old, hefty Hoosier with a quick grin and an amiable voice, who made the news bureau what it is today. Charlie—nobody calls him Mr. Carll—was a top-flight midwestern newspaperman; city editor of the In-

dianapolis *Times* at 23, managing editor three years later. In August, 1942, he resigned from the New Bedford (Mass.) *Standard Times* and went to work for press agent Steve Hannagan on the Ford account. Between them they cooked up the idea of remaking the company news bureau in the pattern of a city newspaper.

In working out the plan, Carll had to face a lot of facts, many of them unpleasant. Chief of these was that Ford was hampered by a poor reputation among newspapermen. It was known as a secretive citadel, patrolled by legions of guards, and hostile to attempts of anyone—especially newsmen—to pierce its walls. The correspondent of one business magazine said, "After a few months here I managed to make news contacts in almost all the industries in Detroit. But I couldn't get a thing out of Ford."

Carll's basic assignment was to improve press relations. He became convinced early that any public re-

lations department has to deal primarily with newspapermen: get the individual newsmen to feel generally favorable toward your company and half the battle is won.

He knew that reporters, perhaps more than most people, like to be trusted.

To hold the esteem of the working press, he reasoned, he had to make his stuff factual, get it out fast, and trust the boys to handle it their own way. Those are the cardinal principles he built into the news bureau. Here's how it worked:

He, as bureau director, was the city editor. He divided the company's Rouge plant into nine news beats, just as a city editor divides his city into police, court, city hall and other beats. Then he assigned reporters, most of them ex-newspapermen, to cover each beat. Scott Wigle, a former Detroit *Times* man, for instance, drew the industrial relations run; John Millis, ex-United Press reporter, drew sales and advertising; Leggett Brown, who had put in time on both newspapers



and radio, got purchasing; Virgil LaMarre, a former newspaper and magazine writer, drew engineering; Ross MacNaughton, another former reporter, was given the manufacturing beat. John Rose, who had worked for both United Press and the Associated Press, was assistant city editor. And so on.

Carrying out the newspaper pattern, Charlie organized a library similar to a paper's morgue, hired Irene Cornell, a former reporter, to handle the women's angles. In the company's regional offices in Chicago, New York, Philadelphia, Kansas City, Los Angeles and Detroit, he had public relations men much as the larger papers have correspondents in out-of-town news points. Not a part of the news bureau, but available to its staff, were a photographic studio and a print shop.

### Works for newspapers

THE bureau operates much like a newspaper, but with one difference: Where a city editor takes the stories his reporters uncover on their beats, the bureau director assigns his men to dig up stories asked for by the various newspapers, magazines and wire services.

For instance, some months ago one Detroit paper wanted a story comparing the postwar Ford Company with prewar. Charlie Carll set a good part of his staff to digging up the story from all angles: engineering developments, cost of materials and labor, comparative

prices, manufacturing techniques, etc. He got photographers to take pictures to illustrate the yarn, put it all together and delivered it—probably a lot faster than the paper could have gotten it for itself.

This emphasis on speed was demonstrated early last summer. At noon on a Friday it was decided that some Ford operations would have to be shut down the following Monday for one day. To avoid premium payments, workers had to be notified almost immediately by their foremen. From experience John Rose, the present bureau director, knew that before long downtown newspapers would be flooded with calls. He decided to anticipate them.

Between noon and two p.m. Leggett Brown, now Rose's assistant, wrote the story of the shutdown, took it to the offices of Mead L. Bricker, vice president and director of general production, and Ernest R. Breech, executive vice president, for clearance. Brown was back shortly before two. The first inquiry came a few minutes later and he was able to read the story over the phone to two Detroit papers in time for their late editions.

Sometimes bureau reporters come up with their own stories. Last fall, Ross MacNaughton happened into what is called the plant layout division. There he found large numbers of draftsmen, engineers and skilled woodworkers making scale models of everything that goes into a Ford plant—ma-

chines, cranes, elevators, conveyors, stock bins, drinking fountains, completed and incomplete cars and their parts, even men. By using these models engineers were able to visualize the whole plant operation and work out a more efficient plan.

MacNaughton took the story to Carll. They prepared a couple of short releases, took some pictures and sent them out in one package. Three picture services, seven trade magazines, the wire services, and four papers picked up the story.

### A busy news office

THE bureau's double office in the Administration Building has the atmosphere of a newspaper city room. Reporters drift in and out, the director juggles copy, correspondence, two telephones and a squawk box with all the casual dexterity of a city editor. Telephones ring constantly. The average is 700 calls a day; when the late Henry Ford died there were 1,400 in the first 24 hours. When you call you don't get a secretary, you more than likely get John Rose, who took over as director last November when Carll was made public relations director, or Leggett Brown.

The bureau is on duty 24 hours a day, seven days a week. The way it swings into action on a fast-breaking story impresses newsmen who have seen it operate. Within a few minutes after Henry

*(Continued on page 64)*



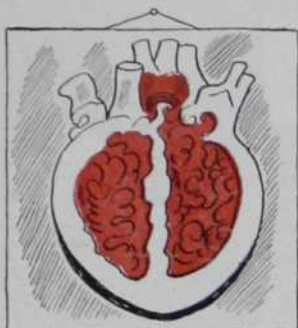
When Henry Ford II (left) returned from Europe last spring, the bureau arranged a press session



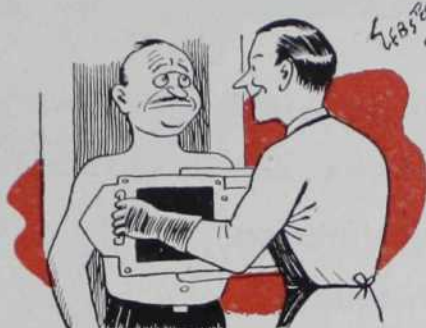
# MEET A MAN WITH HIGH BLOOD PRESSURE



**1. Everybody has blood pressure.** It goes up every time your heart beats, down when your heart rests. The doctor discovered that the level of this man's blood pressure stayed high most of the time. He had high blood pressure (hypertension).



**2. His heart had to work harder to circulate his blood.** This extra strain often enlarges the heart muscle. Arteries, brain and kidneys may also be affected.



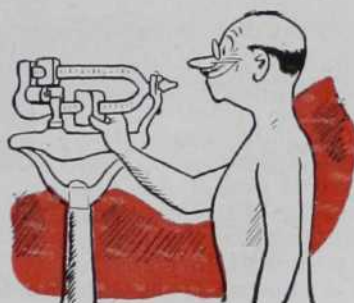
**3. However, after a complete medical examination,** this man learned that, like most high blood pressure patients today, he could do a lot to help himself.



**4. By taking his doctor's advice,** he learned how to live with his ailment, to slow down at work and play, to get plenty of sleep and rest.



**5. He followed his doctor's instructions** about diet, so that the food he ate might help his condition, and avoid putting an extra burden on his heart.



**6. He brought his weight down to normal** and kept it there. For blood pressure often rises and falls as weight goes up and down.



**7. He sees his doctor for frequent check-ups.** Under good medical care and with sensible living habits, he can look forward to many happy, useful years.

## How Medical Science Combats High Blood Pressure

High blood pressure may clear up quickly under a doctor's care. Sometimes, a period of time elapses before progress is made. There may be infections to eliminate, or the doctor may conclude that special diets, drugs or surgery are needed.

Control of hypertension is easiest when it is discovered early—and the surest way to do that is through periodic medical examinations. This is particularly important if you are middle-aged or older, are overweight, or if there has ever been high blood pressure in

your family.

There is real hope that future advances of medical science will provide still more effective means of combating high blood pressure. Many continuing studies are being aided by the Life Insurance Medical Research Fund, supported by 148 Life Insurance Companies, which makes grants for special research in diseases of the heart and arteries, including high blood pressure.

For further information about high blood pressure, send for Metropolitan's free booklet 108P, "Your Heart."

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**TO EMPLOYERS:** Your employees will benefit from understanding these important facts about high blood pressure. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.



# There Is Hope for that Headache

By LAWRENCE GALTON

**HAVE YOU** been suffering needlessly for years because of an ailment which medical science easily can relieve?

**I**N 1946, a middle-aged man whom we'll call George Jones plopped himself into a chair in a doctor's office and recounted a desperate tale. He had, he groaned, a headache. But it was like no ordinary kind.

Out of the blue, several times a week and invariably at night, there'd be a blitz that would turn the right half of his head into a painful, burning mass. In a few minutes, the needles and the fire would poke into his right eye and then into his right nostril. No remedy he'd ever tried—and he'd tested them all—would either prevent a recurrence or shorten, by a minute, the length of the seizure. The agony would last several hours, then it would vanish. This had been going on for four years.

After listening to the recital and making an examination, the doctor got out a hypodermic and gave George an injection, at the same time drawling a prediction: "You have no pain now, but if my diagnosis is correct, you'll have a wow of a headache soon." George's howl within a few minutes confirmed it.

Six weeks later, after two daily injections, George was finished with his headaches. He hasn't had one in the last two years. "What a fool I was," George likes to proclaim these days, "for suffering so long so needlessly."

That sentiment is worth noting.

Almost all of us have headaches some time in our lives. Infrequent ones may be nothing to worry about. But chronic headache is something else again. It has triple distinction. A pain-beleaguered brow is one of the most common of all complaints, and the cause of an amazing amount of suffering.

It is also one of the ailments least understood by its victims, and one of the most neglected and mistreated.

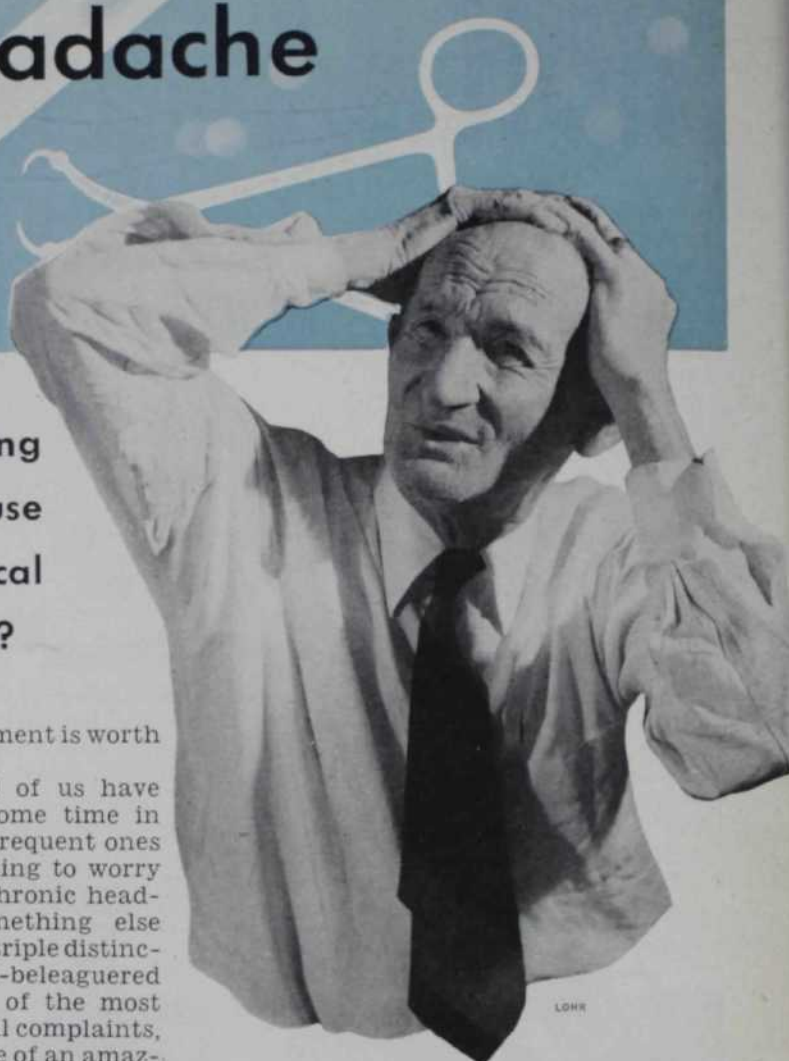
There are hundreds of human ailments, but it's estimated that every tenth time a doctor's office door opens, it's to admit a headache sufferer. Yet even this is no true indication of incidence since not all victims consult doctors. Like George, they go on trying remedy after remedy, hoping to find relief, unaware of the fundamental facts about headaches or of new advances made in combating them.

In recent years there has been considerable progress in the understanding of headaches and in curing many forms and relieving still others. The advances have not been headline-hot, but chances are that if you're suffering from chronic headache, the misery may

be entirely needless on your part.

The technique that cured George, for example, wasn't something new even in 1946. The type of headache for which it works is called *histamine cephalalgia*. In 1939, Dr. Bayard T. Horton of the Mayo Clinic found that when there is a temporary overproduction of histamine and the blood loads up with it, the arteries of one side of the head become so distended that headache results. One way of diagnosing the condition is to do what the doctor did with George—shoot in a load of histamine and see if this sudden supply duplicated the patient's symptoms.

Here was a discovery of cause and the clue for a simple cure: desensitization. By starting with small twice-daily injections of histamine and gradually increasing the dosage, but always keeping it just below the level that would







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bring on a headache, Horton found that he could build up immunity to any sudden overproduction of histamine in the body. The technique is like that used in developing immunity to the pollens that cause hay fever. After full desensitization, no further treatment is necessary and a cure is achieved in 95 per cent of cases. Yet many *histamine cephalgia* victims may still be suffering needlessly when they could easily be rid of their curse.

So, too, are large numbers of people with the devastating affliction of migraine. Dr. Harold G. Wolff, professor of medicine and

nausea may follow. Often the seizure is so violent that even the slightest noise or ray of light can set up paroxysms of pain. The suffering may last for hours or days.

But migraine symptoms can vary widely and there are cases like those of Joe Williams, Bill Harkness and Robert Childs. All of them had headaches but nothing so severe as to make them think of migraine. Williams' headaches would be accompanied by diarrhea and fever and, because he had done a lot of traveling in tropical countries, he had the idea that his trouble was dysentery. Harkness, a stoutish man of 45, wasn't so much

sense of responsibility. Frequently, they're insecure people manifesting their insecurity in meticulousness, inflexibility, conscientiousness. They try to gain approval by doing more and better than their neighbors. They're emotionally prone to migraine.

In such individuals, almost anything unusual can ignite the process. One woman became alarmed whenever a telegram was delivered to her home. Like many people, she thought of telegrams as harbingers of bad news. In the few seconds it took to sign for the wire, her heart would pound and her excitement was enough to trigger off an attack.

It's a fact that no drug can prevent migraine attacks and that the only fully effective method of prevention is avoidance of pernicious moods. This may require treatment by a psychiatrist or re-education by a doctor. The patient may have to be shown how his manner of life makes him so subject to attacks and he may have to adjust to a new pattern.

But if over-all prevention is a matter of proper mental hygiene, there is a way to stop an individual attack. Medical research found a drug called *ergotamine tartrate* which, when taken in pill form or injected by a doctor at the start of an attack, often stops the headache within 15 minutes. In more than 90 per cent of cases, it ends the pain within the hour, making life bearable for people who otherwise might not be able to tolerate hours and days of agony at frequent intervals.

Migraine, too, may be an allergic reaction. One man had an attack every time he attended a general sales meeting in company headquarters in Boston. Investigation disclosed that at such times he gorged himself on sea food, to which tests showed he was allergic. When he stopped the sea food dinners, the migraine attacks ended.

There is another type of headache called *unilateral cephalgia* which is somewhat similar to, and often confused with, migraine. This, too, is a one-sided headache. The pain is fierce and radiates into the eyes. Sometimes it reddens the eyes and causes tears. But there are no shimmering blind areas in the visual field or gastrointestinal symptoms. Yet the pain can be incapacitating and some patients have attacks two and three times a week.

Sometimes doctors can relieve this kind of headache by the use of drugs, X-rays and traction on the neck. But, in many cases, the headache persists. Then, an opera-



## VICTIMS of headaches account for one tenth of all visits that are made to the offices of doctors

associate professor of psychiatry at Cornell Medical College, has written: "It is safe to say that less than half the victims of migraine ever consult a physician."

For one thing, many don't know that there is a specific treatment to relieve them. But there are others—and, in some ways, they're still more harshly victimized—who don't know that their trouble is migraine because the disease can be a fantastic fooler.

In migraine, which has been called a kind of storm in the brain, the pain traces to a disturbance of function of the arteries of the head; the vessels become temporarily engorged, rigid and distended.

The typical attack starts with quick and zigzag flashes of light. Usually in 20 minutes a severe, throbbing headache begins in one half of the head. Vomiting and

concerned about his light headaches as about the pains in his chest which accompanied them. "Heart trouble!" he decided fearfully. Childs, too, was less bothered by his headaches than by the other symptoms that came with them: abdominal pains. "Something wrong with my digestion," he decided, and made his life miserable by worry and fuss over diet.

It wasn't until all three men stopped doctoring themselves that they learned the truth: migraine. And something was done about it. Because something can be done.

Many doctors today believe that migraine's basic cause is an hereditary peculiarity of the brain. Often other members of the family have similar headaches.

It's been noted that people with migraine are usually tense and perfectionistic. They have a great



tion on the temporal artery that runs up the side of the head in front of the ear, or on the middle meningeal artery as well, has been found to give relief in almost nine out of ten cases (87 per cent).

One man had all the classic symptoms. His pain would start in the right temporal region, then spread into the right eye. An operation provided immediate relief and he hasn't had another headache for six years.

### Surgery cuts out headaches

ANOTHER victim had had severe pain for 18 months. His would begin at the base of the skull, on the left side, then radiate up over the ear and about the left eye. The pain occurred two or three times a week and was always incapacitating. After surgery, there was immediate relief and the man has remained free from pain for the past 12 months.

After such operations, some patients still have headaches but then medicines, sometimes ordinary headache remedies, relieve the pain when they never did before. One man had been treated with *ergotamine tartrate*, X-rays, *nicotinamide* and desensitization with *histamine*. Nothing worked and the pain was so severe he had to remain in bed two or three times a week. After an operation which offered relief for four months, the pain began to recur in milder form. But now *nicotinamide*, which had failed before the operation, provided complete and lasting relief.

Artery surgery is advised only in cases of this type of headache, which do not yield to conservative treatment. Surgeons consider the operation safe and the patient usually can leave the hospital in three days.

All told, there are more than 30 different causes of headaches. Some are serious. A severe headache, along with other symptoms, almost always accompanies such acute infections of the nervous system as inflammation of the brain, meningitis or infantile paralysis. It may also be a symptom in disease of the scalp, skull, ear, nose, throat, teeth and upper part of the spine.

Many people think of a brain tumor or abscess as soon as their head begins to ache. But headaches due to brain tumors and abscesses are relatively few. Chances are excellent that if your head hurts, it's not because of a tumor or other severe cause.

Nor, although many people place the blame there, is it likely to be

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due to sinusitis, eye strain or constipation. The facts here are worth noting.

Sinus, according to some authorities, is, in any case, a most overworked affliction. "Every symptom referable to the head and some in remote parts of the body is attributed to this affliction, yet not one person in 50 who presents himself with a self-made diagnosis of sinus infection has the disease," reports one doctor.

Dr. Frank D. Lathrop of Boston's famed Lahey Clinic emphasizes that only a small number of headaches are due to sinusitis. In the few cases where chronic headache may be due to chronic sinusitis, surgical measures can end the trouble.

Eyestrain is also a commonly assigned cause of headache.

True ocular headache is a dull sensation related to use of the eyes. The pain may be anywhere in the head or back part of the neck but is generally around both eyes. The cause of eye headaches may be an imbalance of ocular muscles in which the headache is brought on chiefly by sustained contractions of scalp and neck muscles. Refractive error, too, may cause headache. The most fatiguing refractive errors are astigmatism and farsightedness. Myopia, or nearsightedness, is seldom exhausting.

People who habitually get headaches after attending movies, basketball games or other spectacles probably are suffering from nervous overstimulation. In such cases, the pain may be due to con-

striction of cranial blood vessels during the excitement and the later compensatory dilation. Or there merely may be prolonged contraction of scalp and neck muscles.

Although it's advisable for people with chronic headache to have their eyes examined, there's little use in hanging on desperately to the idea that most headaches are due to eyestrain.

Another common belief is that headaches stem from constipation. The idea is that constipation leads to auto-intoxication which, in turn, drums up the headache. But research has long ago disproved this belief. Countless numbers of people rush for an enema or laxative at the first sign of a dull ache in the back of the head. And—get relief! But doctors believe that the results are tributes to the power of suggestion rather than to the effectiveness of evacuating the bowels. They point out that relief for the headache comes far too fast after the forced elimination for the cause to have been auto-intoxication.

Actually, a large number of headaches—quite possibly a majority of them all—are psychogenic or nervous. They're the result of emotional disturbance which may be quite deep-seated and hard for the individual to realize.

One extreme case is related by Dr. Flanders Dunbar, an authority in psychosomatic medicine. A 21

year old man convalescing from pneumonia had a mysterious setback. Severe headaches and nausea kept him in the hospital long after he was otherwise ready to leave. When the physician in charge could find nothing organically wrong to explain the symptoms, he began to question the young man about his past.

It turned out that when the patient was a child his father had been in an accident and for 15 years thereafter had suffered painful headaches and acute attacks of nausea. The son had been profoundly disturbed by his parent's suffering. At 18, he himself had had a head injury and mild headaches. Now, in the hospital, he had had time to brood and was terrified that he might be repeating his father's pattern. When the doctor explained that his brain was undamaged and the headaches were due to his anxiety, the young man took his mind off his fears, and his headaches and nausea left him within a week.

### Types who get headaches

**PSYCHOGENIC** headaches are most likely to appear in hard-driving business men, professional and white collar workers.

"The patient with a chronic headache," one doctor points out, "is often a definite type, an individual in the third or fourth decade of life, whose parents, perhaps, have also suffered from headaches. He may be an energetic business man who works at high speed and under tension; attends business conferences in the evening or plunges into social activities at a time when he should be relaxing. When some financial, social, moral or religious conflict is added to these factors, the breaking point is reached and pain, the admonition of danger, appears. Or the patient with headache may be a woman similarly living under emotional strain and unable to find relaxation from duties or respite from the worries of her personal life."

A psychogenic headache is usually dull, drawing, burning or pressing. The ache may start in the back of the head and finally take in the whole cranium. The pressure may be so intense that the victim feels as though he were carrying a load on his head or wearing a tight cap. Other psychogenic headaches may be confined to the front of the head and in some cases there may be other symptoms, such as dizziness, weariness, loss of interest.

Quite often nervous headaches

Migraine agony no longer need be borne  
in silence, thanks to medical research





are relieved by one of the usual drugstore remedies. But if the headaches are frequent, then constant dosing should be avoided. Not for nothing do the labels of remedies usually contain the caution: "For persistent headaches, consult your physician." Persistent dosing may lead to poisoning.

Sometimes just the mere talking out of one's problems helps considerably. Dr. Edward Weiss, professor of clinical medicine at Temple University Medical School, has reported a case that's indicative. The woman was one of 100 similar patients under study.

She had high blood pressure: 200 over 120. While all patients suffering from high blood pressure do not have headaches, many do and usually treatment of the high blood pressure relieves the headache. But in this case, Dr. Weiss discovered that the woman was involved in what she considered a hopeless family situation. The doctor asked her to tell him about it. At a meeting of the American Medical Association he reported:

Although her blood pressure remained the same, the woman's headaches disappeared within a short time after she had told him her story. Just the process of unburdening herself had worked a kind of miracle.

A headache is not a disease in itself. It is a signal by Nature that something is wrong. The trouble may be organic. But it's far more likely to be psychogenic or emotional in these days of complex living.

If the warning comes frequently, it pays to see a doctor about it. Proper diagnosis will relieve your mind; and there are effective techniques for relieving your head.



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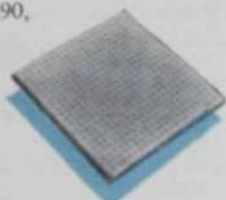
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## Johns-Manville FIBRETONE



## The Paper That Nobody Sees

(Continued from page 56)

Ford died the bureau had set up three-way telephone communications with the wire services and the *Detroit Free Press*, the only newspaper that was publishing at that hour.

For special events like the annual negotiations with the United Automobile Workers, CIO—the bureau sets up a press headquarters as close as possible to the center of activity. Telephones, typewriters, a secretary and two staff members are always available. Press conferences are held here, and the UAW may hold meetings here if it desires.

### News cleared quickly

WHEN sessions stretch into the night, coffee and sandwiches are sent up for the reporters. But above all, they get the news out fast. Sometimes John Bugas, Ford's industrial relations director, will call Carll into the negotiations room, tell him of a decision that has just been made, or some other piece of news. Carll writes it, clears it with Bugas, has it typed and passes it around on the spot. Or, if it's near a deadline, he gives the facts to the reporters without bothering to write the story.

There was a good example of this last June. Negotiations were being held in Detroit's Rackham Building which has no facilities for a press headquarters. So the bureau set up in a hotel two blocks away. On Monday morning, June 21, at ten, John Bugas offered the union a proposed wage settlement. Fifteen minutes later he came out and told Carll the memorandum had been read to the union. Carll called John Rose, who immediately dispatched three men to deliver the story to the wire services and the afternoon papers. They made delivery at 10:50 a.m.

Meanwhile Rose had called the papers and wire services, told them what was coming and when. The news arrived just in time for the noon and long-run editions. The union had no immediate reply so that did not take away the play from the Ford story. As a result, the yarn got banner headlines in Detroit papers and comparable treatment by the wire services.

After the rush deliveries were completed, the three bureau men continued to deliver the story to radio stations, magazine corre-

spondents and local reporters for out-of-town papers.

Ordinarily the UAW has a fast-moving public relations department that doesn't get caught short like this.

"Our records show that the Ford boys are invariably ahead of the unions in calling the newspapers with a strike story," said Dale Stafford, managing editor of the *Detroit Free Press*. "They tell us exactly how many workers walked out, how many were sent home and other details."

One magazine writer, who spent a week working with the bureau on a story, came away convinced it was the best public relations operation he'd ever seen. "They know what they're doing," he said. "They know how a story is built. A couple of times they suggested a line of inquiry which I'd overlooked and which belonged in the story. But most important of all, you can trust them."

"Once or twice I stumbled on a situation that was going to be embarrassing for the company. They made no attempt to cover up; they helped dig out the story just as competently as they did on anything else. Charlie Carll had a sensible answer when I asked about it. 'What the hell,' he said, 'nobody is perfect; of course we've pulled boners.'"

"Besides," he added, "if we tried to cover up you'd dig it out anyway."

The news bureau leaves obvious plugs to the advertising department and concentrates on the news angle.

Before the 1949 Fords were announced last June, everybody in

the bureau was aware of the widespread interest in the new car. Since they couldn't release the story of the car itself, they capitalized on this interest by telling about manufacturing changes and developments that had been made in preparation.

The news bureau is not, of course, the beginning and end of Ford's public relations department. Carll also operates a guest relations section which handles special events and thousands of visitors each year; the photographic studio and print shop; the Lincoln-Mercury News Bureau; six regional public relations offices and an administrative office which handles budget, finance, etc. But of all these, the Ford News Bureau is the biggest single operation. In addition to straight news coverage of the company's operations, it has a few other tricks to win friends.

### Photos help files

FOR instance, it regularly sends out pictures to papers and photo services, knowing that they will not be used immediately. But they usually go into the paper's files and often are used later, possibly in connection with some quite different story, as in the case of a large national magazine that did a story on the industrial uses for atomic energy. The picture editor wanted a contrast; he took a stock picture of the devastation at Hiroshima and next to it ran a shot of the Rouge plant which he had on hand.

The bureau also pays close attention to the thousands of letters it gets from school children who want a history of the automobile industry, or a picture of the 1935 Ford convertible to complete a collection. Each such letter gets a personal reply.

All this activity is, of course, ex-





pensive. No breakdown shows accurately the cost of the news bureau as separate from other public relations operations. The best figures available show that it costs between \$300,000 and \$350,000 a year.

That seems like a lot. The UAW-CIO in Detroit, for instance, spends about \$60,000 a year to do a job which, Detroit newsmen say, is better than that done by some of the large companies. But the Ford figure includes bureau operations all over the nation and some minor activities abroad.

What has all this accomplished?

It's almost impossible, of course, to measure accurately the effectiveness of any given public relations program. But there are a few yardsticks: Elmo Roper has made a few samplings to determine where certain of the largest corporations stand with the general public.

Ford consistently stays among the top three and, on occasion, has led the field. It consistently occupies about the same position in the periodic and confidential reports of the Link Audit of Public Attitudes.

In a recent survey James S. Twohey Associates—who used to analyze press comment for President Roosevelt—rated corporations in the auto, air, oil and rail industries for the last six months of 1947. The auto industry topped the list for effectiveness of public relations and Ford was ahead of all competitors.

### The ideas are adaptable

SMALLER companies probably cannot afford to put out too expensive a newspaper, published or not.

But the most important ingredients in the success of Ford's operation are the ideas behind it, and they are free. They might be summarized thus:

In dealing with the press, tell reporters the truth and trust them to give you a break. Get your news out fast and accurately. Keep it factual and play up the news angles; save your obvious product plugs for your paid advertisements. Keep your top management people accessible to reporters, and remember every decent newspaperman—which means most—will respect a confidence.

These principles can be followed whether you have a million-dollar public relations setup or one man with a telephone in a corner of the accounting department.

Of course it helps if that one man happens to be Charlie Carll.

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"Well, first, the cost is surprisingly low... and you only need to be in the directories where you have distribution. And, second, the Classified is known all over as a handy buying guide... 9 out of 10 shoppers use it. That's fact!"

*"Hmmm... Trade Mark Service... advertising insurance, eh? Sounds like it might be worth investigating. Might be a policy that would pay us big dividends..."*

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# NEW EASE

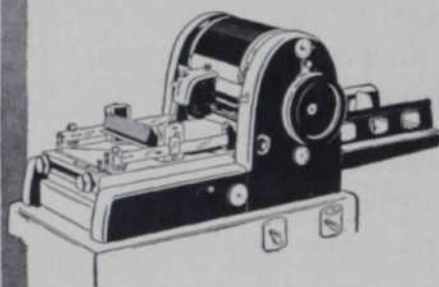
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## Fireman, Save Me—as a Hobby

(Continued from page 38)

have saved money and vastly increased efficiency by mounting the equipment on trailers which the volunteers can hitch to their own cars.

A grid system which divides the county into numbered "fire blocks" is another recent improvement. Each farm has its own block number, and that's all the volunteers have to know in case of fire. In the confusion of phoning in the alarm the number is a lot easier to get across the telephone—especially a party line. Today, with good hard roads and fast equipment, a live-wire company of rural volunteers can reach a blaze ten miles away before many a city department can thread its way through ten blocks of heavy traffic.

Volunteers have lately stressed fire prevention, and in some areas members are assigned to regular beats to check up on fire hazards. It's all done in a friendly, neighborly way, and it gets results—rubbish heaps cleaned up, flues and chimneys fireproofed, faulty wiring replaced and gasoline being stored in safe places.

In Decatur, Ill., a brave on such a beat was puzzled by large firecrackers stuck under the shingles on the roof of a home he visited. "My wife and I sleep right underneath," the householder told him proudly. "If it ever catches fire, we'll hear it."

Bitter experience has shown the volunteers it pays to practice what they preach. In Bound Brook, N. J., last year during Fire Prevention Week, the fire department staged a big parade which ended at the

Borough Hall with speeches warning citizens against carelessness. That was on a Saturday. On Monday burning leaves started a fire which reduced Borough Hall to ashes.

Last year in Verona, N. J., the boys at Engine House No. 2 got a call from Mrs. David Johnson. She informed them that their station was on fire.

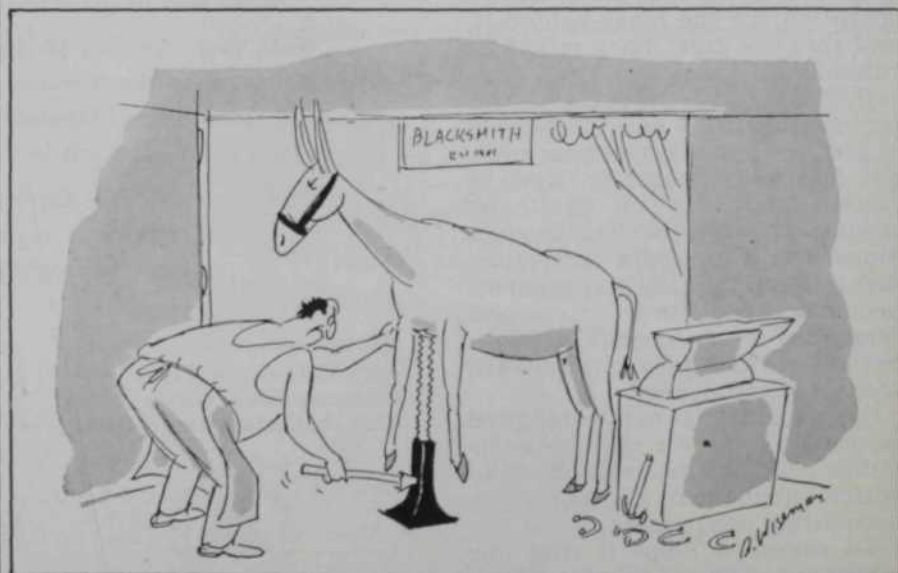
When the New York-bound DC-6 crashed last June near Mt. Carmel, Pa., and set fire to a colliery, most of the members, and all but one piece of the fire department's apparatus, were taking part in a fire convention and parade in Sudbury, 30 miles away.

The volunteers get some strange alarms. Last fall in Indiana a boy told firemen of watching a bird pick up a lighted cigarette and carry it off—presumably to its nest. Sure enough, half an hour later, a fire broke out in a near-by tree.

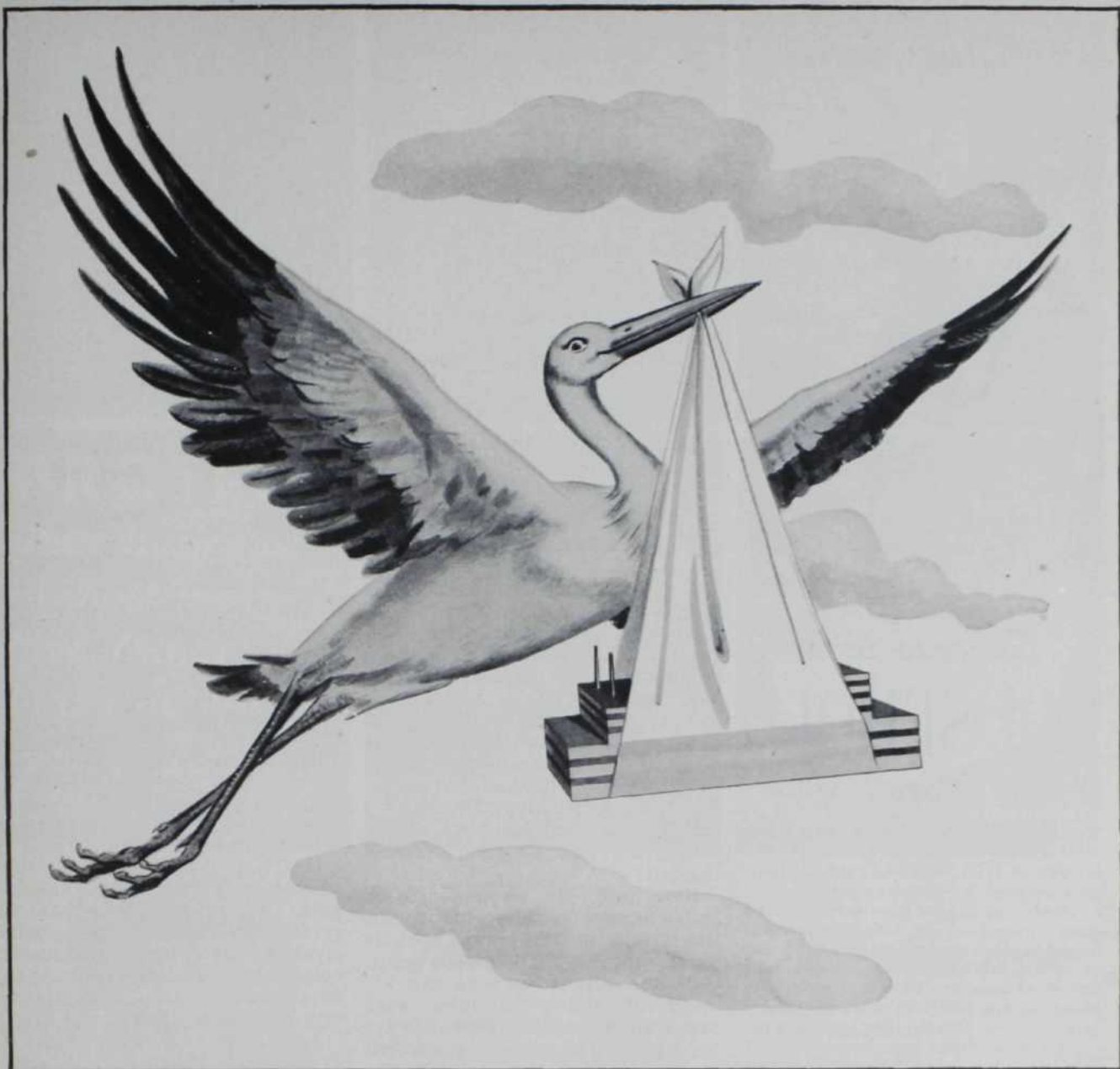
A golf club at Brockton, Mass., reported a man streaking across the fairway with smoke coming out of his pants. A golf ball had struck his hip pocket—and ignited the kitchen matches he kept there to light his pipe.

"There's a big ball of fire floating around my living room!" phoned a lady in Mendon, Ill. Volunteers discovered a badly singed hoot owl which had caught fire when the woman lighted her fireplace.

In Lewistown, Pa., a birthday party for a pet dog brought the volunteers on the run. The sentimental owner had invited in several other dogs from the neighborhood and made a cake consisting of two







## The Busiest Bird in the SOUTH

There's a zooming factory birth rate in the South.

And no wonder! For there never was such a nursery for industrial plants.

Here, in the fast-growing Southland served by the Southern Railway System, the

"new arrivals" are thriving and prospering on a nourishing diet of natural resources and advantages galore.

Your factory will, too.

"Look Ahead—Look South!"

*Ernest E. Harris*  
President



## SOUTHERN RAILWAY SYSTEM

*The Southern Serves the South*



**For an inside track  
to the Big Family Market ...**



## Success is a HOUSEHOLD Word!

Yes, the BIG families are waiting when Household comes to town. Three-fourths of HOUSEHOLD reader families average 2.3 children each!

That these bigger families buy more goes without saying. More important to you, Household families buy far more for the home! Seventy per cent are *home-owners*. They *eat* at home, *play* at home, *entertain* at home—that's how it is in small cities and towns.

And now these big, home-owning families have more money to spend than they ever had before. *Be there* when they spend it! Take the inside track ... take Household!

### STOP! LOOK! LISTEN!

**STOP**—compare Household's low cost per thousand readers!

**LOOK**—Look at the new Household format. Look at the *Idea-Planned* editorial pages—they back up Household advertisers with more than 250 "buy-ideas" per issue!

**LISTEN** to this—Household circulation has hit a new high of 2,000,000—and advertising revenue is up more than 40%!

Copper Publications, Inc., Topeka, Kansas

## HOUSEHOLD

*a magazine of action for small  
cities and towns*

pounds of hamburger decked with lighted candles. Instead of making a wish and blowing out the candles, the dogs had piled right in.

In college towns, fraternity house fires represent a real hazard to equipment. Volunteers returned from a fraternity house fire in Bethlehem, Pa., recently, minus two rubber coats, nine pairs of hip boots, eight helmets, and the assistant chief's silver badge. Several months later the assistant chief recovered his badge—in a sorority house fire.

The vamps never know what to expect in the way of gratitude, either. Property owners sometimes make substantial contributions. In Massachusetts, a grateful publican presented each of the braves who helped save his tavern a gold pass entitling him to free drinks for the rest of his life.

### Not always gratitude

BUT in northern Wisconsin, a village fire department went out of its district to extinguish a fire in a resort cabin. Since their hose wouldn't reach the fire hydrant, they prevented a total loss by using the bathroom spigot. When the fire was out, the owner led the boys down to the basement—for a drink, they imagined. Instead he pointed to the water meter on the wall. "I didn't want you fellows to get away," he said, "without paying the bill."

How volunteers happened to be called braves is self-evident. But the origin of the more popular term, vamps, is still a moot point. Old-time volunteers who ran instead of riding to fires were bothered by aching feet—always most painful in the region covered by the vamp of the shoe. On the other hand, to vamp, in musical idiom, means to improvise—and this is even more characteristic of volunteers than aching feet.

Mark Twain, himself a member of Hannibal, Mo., volunteers, used to tell of the time they tried to rescue old man Hankins from the fourth floor of a burning building and found no ladders long enough to reach him. As the crowd looked at one another in despair, Mark Twain pictured himself stepping forward with a rope which he threw up to Hankins with directions to tie it around his waist. "This done," Mark Twain recalled with a twinkle in his eye, "I pulled him down."

In ancient Rome, fire fighting was the job of slaves who beat out the flames with rags soaked in vinegar. In old England it was con-

sidered a menial job which was often left to convicts. Even in Dickens' time, London's most celebrated firemen were "the Bridewell Boys" who were permitted to chase fires with the prison equipment.

But in America, membership in the volunteers has always been a mark of distinction.

Most of the signers of the Declaration of Independence were volunteer firemen. George Washington, the greatest of them all, joined up at 18 with the Alexandria, Va., volunteers. Just before he left to become commander-in-chief of the American Army, he contributed the little pump engine you can see in Druid Hill Park in Baltimore.

### First at the fire, too

IN "Ye Olde Fire Laddies," Herbert Asbury tells of Washington's last fire. Only a few months before his death, he was riding horseback down King Street in Alexandria when the alarm sounded. Seeing how few of the men ran forth to help man the Friendship Company's engine, Washington shouted: "It is your duty to lead in such matters. Follow me!" Followed by a cheering throng, the father of his country manned the pumps and soon "the old machine was throwing the highest stream that ever gushed from its pipe."

In the century and a half since then, the volunteers have changed with the times. The mutual aid system has replaced the brawling rivalries in which neighboring companies cut hose connections, overturned engines, and squirted one another instead of the fire.

In the old days, the red-shirted braves had rallying cries which they painted on their engines: "We Will Endeavor!" "We'll Be There!" "Where Duty Calls, There You'll Find Us!" "Before We Limber Up, Pass The Words 'All Out!'"

Today's volunteers indulge in few such heroics. But underneath his brass-buttoned blue jacket which has taken the place of the gaudy red shirt, he's still the same brave of whom the Chautauqua elocutionist used to rhapsodize:

"Fearless he leaps into danger,  
Saves the goods of friend or stranger.  
Saves, perchance, some precious life  
Of father, husband, child or wife.  
Such deeds the fireman oft hath done,  
And thus immortal honors won,  
Nor tires he till the joyful shout:  
All out! All out!"





1. Dishonesty of employees



2. Loss inside premises



3. Loss outside premises

**PROTECT**  
your business  
against these  
Five Major  
Hazards with  
*One Policy*



4. Loss of securities



5. Loss by forgery and alteration



*This Man can tell you how*

HE will tell you how Comprehensive Dishonesty, Disappearance and Destruction Insurance can give your business maximum protection against loss from commonly-occurring employee dishonesty, disappearance or destruction of money and securities . . . with a minimum of premium outlay. The "3D" policy does away with several

policies and bonds . . . some perhaps overlapping or so widely separated as to leave dangerous loopholes.

Ask this man—your local USF&G Agent—about this convenient package of insurance protection. He knows your insurance problems. Consult him today. There is no obligation.

"Consult your Insurance Agent or Broker



as you would your Doctor or Lawyer"

**U.S.F. & G.**

United States Fidelity & Guaranty Co., Baltimore 3, Md.  
Fidelity & Guaranty Insurance Corp., Baltimore 3, Md.  
Fidelity Insurance Co. of Canada, Toronto

"The National Guard Defends America . . . Join Now"





## The Feet That Began a Career

IN THE midst of New York's fur district, where most of the pre-occupation is with warming the feminine form and vanity, a pleasant, quiet-spoken man named Charles Brand has made a good thing out of warming the hearts of the superstitious. Every week he turns out some 20,000 rabbit paws for watch fobs, key chains and a host of other enticing uses.

The booming business in rabbits' feet is the result of Brand's ingenious trick of putting them into mass production. Until he came along, the paw that propitiates was largely for the upper crust of superstitious circles. It took a jeweler's art to cap a foot so it could be worn on a chain.

Then, ten years ago, Brand, an experienced fur buyer, chanced to see some rabbits' feet in a pawnbroker's window. Fascinated with the possibilities of mass-merchandising them, he bought up a quantity and began to experiment. He soon developed a die that could turn out 50,000 metal caps a day. A short time later he came up with a simple method of putting names and advertising messages on the caps and a quick method of sterilizing and mothproofing the feet.

After a slow start during his first year in the business, Brand has boosted sales to 10,000,000 rabbit feet and his shop now employs two shifts of workers. The feet come in

bale lots from California. Cut to size, mothproofed and sterilized, cleaned and then capped and chained, the finished paws go out in gross lots to distributors who in turn market them to chain stores and street-corner peddlers.

Superstition being what it is, Brand's products don't, of course, please everybody. There are still some connoisseurs who insist on nothing but left hind extremities. Others prefer and are willing to pay fancy prices for the even more choice charm: the foot of a rabbit shot in a graveyard in the dark of the moon—preferably at midnight.

However, Brand doesn't cater to these fancy demands. His products are for the masses, and he misses few chances to inform the public about his lucky paws.

It's not surprising then to find that Brand is the man who sparked a southern minstrel show into new life and prosperity. Before it hits a town now, the touring company sends rabbits' feet to the mayor and leading business men as part of the publicity build-up. Then each patron gets an added inducement: a paw with his ticket. The idea has worked so well that the minstrel has been renamed "The Rabbit Foot Show."

Fox tails for bicycles and motorcycles, as well as thousands of toy monkeys made with rabbit fur for carnivals and circuses, are other

lines in which Brand is interested.

But these are just sidelines, for Brand's heart belongs to rabbit feet. "Ninety per cent of the people are superstitious," he says. "It isn't just the country bumpkin, either, who likes to have a luck-inducer on a chain. Actually, Los Angeles, New York and Atlanta are the biggest markets. And while many who travel frequently are heavy consumers, the fact remains that more women than men use the charms."

Brand wears bunny paws himself and has numerous tales to prove their mystic power.

Like the time, a year ago, when he was on a train and noticed a little old woman weeping bitterly across the aisle. As he got off at his station, he dropped a rabbit foot, along with a note, in her lap. "Don't know your trouble but hope this will help," he had written.

She showed up in his shop a few weeks ago, full of smiles. "That was a wonderful day when you presented me with that rabbit foot, son," she announced. "I'd been losing my shirt on the horses before that, which was why I was weeping. But ever since, my luck has been unbelievably good."

There was also the hardheaded business man who, for practical advertising purposes, bought quantities of Brand's rabbits' feet. He didn't believe in them, though. Until once when a long-time girl friend was about to leave on a trip to Florida.

It seems that the girl had been making such jaunts for years under the impression that she might be able to jolt the hesitant boy friend into marrying her if she could turn up with another suitor.

The annual peregrination, however, was regarded as a standing joke by the business man, and this time he sent her, as a gag, a handbag with a rabbit's foot inside it. "For luck on your hunt," he wrote. A few weeks later the business man



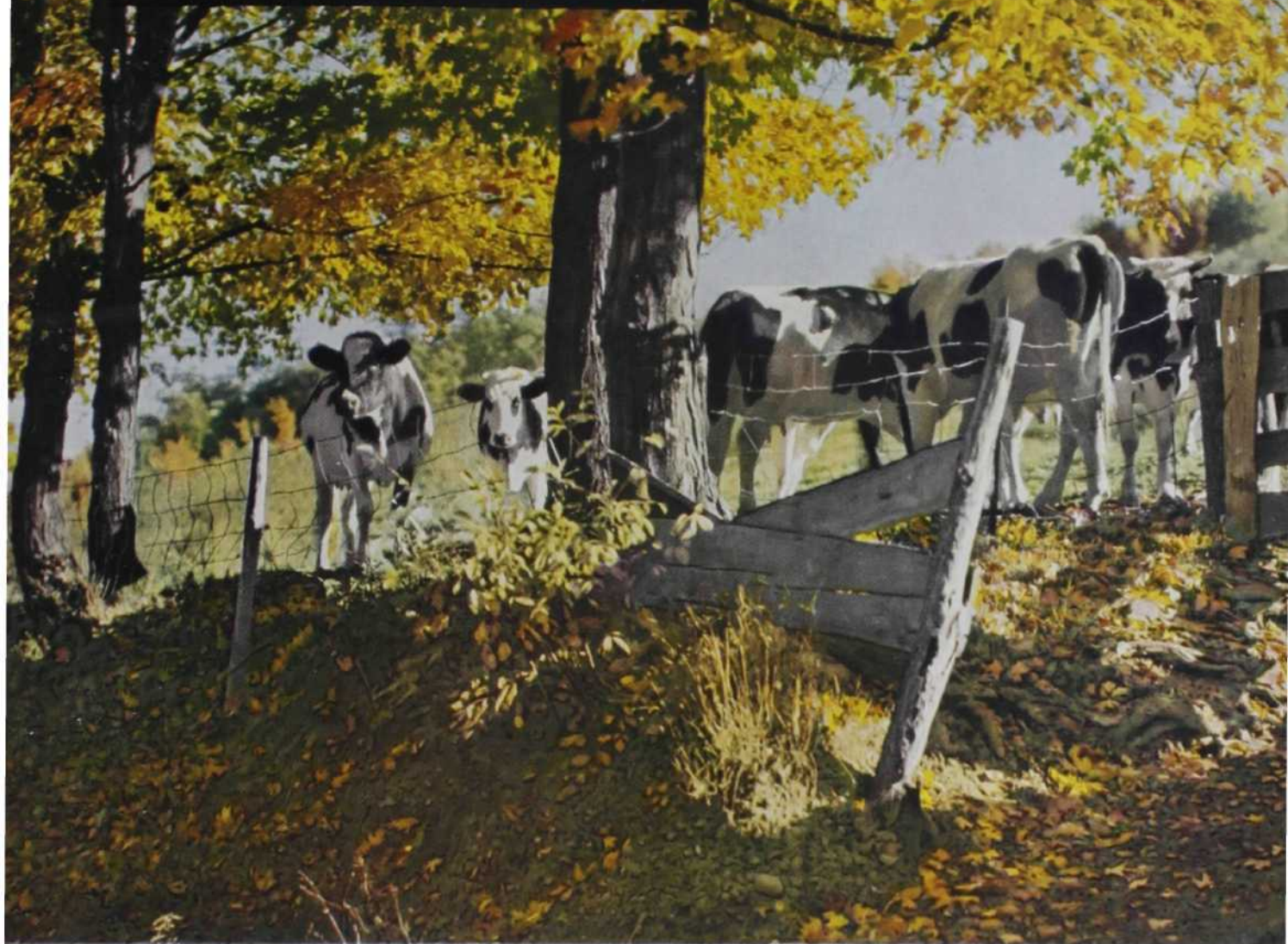
writhed. The girl friend had found a suitor and married him.

"You don't think the rabbit's foot could do that?" Brand will grin at you. "Well, there are at least 10,000,000 faithful who do."

—LAWRENCE GALTON



**Because photography  
is so natural...**



**Y**ou can almost hear the rustle of these color-spangled leaves—almost feel fall's crispness in the sun-filled air—photography comes *that* close to the scene itself!

Because of its ability to make things seem as real as this, you see photography put to potent use by business and by industry.

You see full-color photographs used by advertisers to spread product and package recognition, to spur buying appetites.

You see motion pictures used by employers to make training subjects "come alive," to give health and safety stories true-to-life impact.

You see colorful slide films used in teaching to make learning an easily grasped, long remembered pleasure.

Beyond these, photography has many another important use arising from its ability to present subjects so realistically. For an introduction to some of them—including business films, photo-layout, document copying—write for "Functional Photography."

**Advancing business and  
industrial technics . . .**

## **Functional Photography**

**EASTMAN KODAK COMPANY, Rochester 4, N. Y.**

**Kodak**



# There's a Thrill in accomplishment



Bonneville Dam

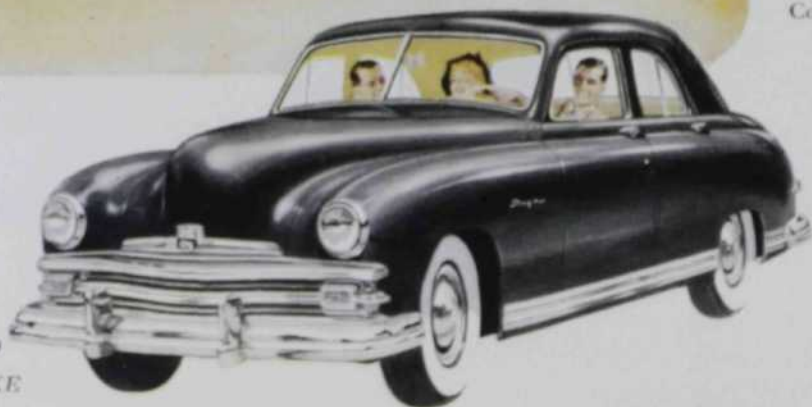
Many people raised their eyebrows two years ago, when they heard that men who were great builders of dams, movers of mountains and builders of ships were about to create a completely new car.

When it came from Willow Run, it startled the conservatives, and it delighted those who rejoiced in abundant roominess and solid riding comfort. It changed the thinking of an industry.

Now—in only two short years, these cars are proud possessions of a quarter million owners, who have driven them over two billion miles on every kind of road. These cars have stood up to what their engineer-designers knew they would do. They have proved their dependability. In style, they are the most-copied cars in America.

America fell in love with them on sight. And demand was so great that Kaiser-Frazer had to smash production records time after time. Cars are now being precision-made faster than one every 45 seconds!

The new Kaiser for 1949 is more than a great achievement in engineering design. It is a great car—road-proved, style-proved, value-proved. Kaiser-Frazer Corporation, Willow Run, Mich.



THE  1949  
KAISER DE LUXE

Why don't you drive  
a **1949 Kaiser**  
and find out?



# His is a Watered Fortune

**T**O MANY people, water cress is a trivial piece of greenery used to garnish sizzling steaks at the better chophouses. But to Ed Dennis, it's a mighty nice living and practically a way of life.

As ranking man in the country's water cress business, Dennis sells nearly 4,000,000 bunches every year. This adds up to more than \$350,000 on the cash registers—and, according to Dennis, accounts for more than half the country's commercial sales of cress.

To produce this prodigious quantity of greenery, a hundred acres of ponds scattered through Pennsylvania, Maryland, West Virginia, Virginia, Alabama, and Florida are required. These varied locations permit production the year round.

Dennis' father started the business 70 years ago by peddling wild cress from door to door. It gained momentum when a customer—an express magnate with an interest in ambitious youngsters—offered to transport some cress free of charge to New York markets and hotels. Since then the business has increased to the point where express charges for any year top \$25,000.

Already the third generation of the Dennis family is in the business. Their mastery of the industry is such that once when they queried the Department of Agriculture about some phase of water cress production, they were told that if the Dennis family didn't know, no one would.

The main essential for growing cress is a continual supply of surface water from limestone springs. The giant spring at the West Virginia ponds, for instance, flows at

the rate of 2,850,000 gallons a day.

Before the crop is planted, the water is drained from the artificially built ponds, and the earth cultivated and fertilized as it would be for any other crop. Planting is simple. Tops of plants are scattered into the ponds, into which two inches of water has been allowed to flow. In a few days the tops take root, and the water level is raised. Once the cress starts growing, the ponds are filled with six to eight inches of water.

Given sufficient sunshine and rain, the crop is ready for the cutters in three to four weeks. One planting may produce as many as five crops in a season.

Cress-cutting is a science all its own. Some of the cutters, like Crum Gregory, have worked in the cress ponds for 30 years. Gregory grasps the cress in his left hand, and with a sharp knife slices the correct amount for a bunch, ties a string around the bunch with his right hand, and tosses it back over his shoulder—all in practically one sweeping motion. This he does some 300 times an hour—and can do 500 when the pressure is on. Most of the cutters work the year round, traveling to the southern ponds for the winter crop.

Once cut, the cress is washed, iced, and shipped to market in wooden boxes. At his northern packing plant, Dennis has a box factory which uses 200,000 board feet of lumber a year. More than 1,000,000 pounds of ice go into these boxes yearly along with the cress.

The Dennis shipping list reads like a "Who's Who" of famous eating places. In New York and Chicago almost every prominent

Cress thrives in ponds that are fed by limestone springs such as the one Ed Dennis is examining here

restaurant receives a shipment of cress at least once a week. In New Orleans, Antoine's features Dennis cress; and in Washington, Harvey's specializes in water cress omelette à la Dennis.

Dennis puts no geographical limits on his water cress interests. Before the war he flew to Mexico to convince the Mexican secretary of agriculture that that country should embark on a cress-raising program to add vitamins to the people's diet. Before the interview was over, the secretary had drawn up plans for an experimental program of cress-raising in Mexico.

But Dennis is not yet entirely satisfied with his status as the King of Cress. "When I get Dick Tracy or Superman to eat water cress like Popeye eats spinach," he explains with a gleam in his eye, "then I'll be a contented man."

—MARJORIE AND GRANT HEILMAN.





## EVERY MAILING ROOM NEEDS THESE THREE U.S.E. ENVELOPES

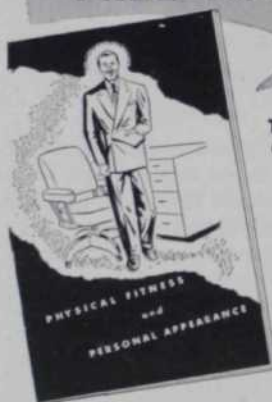
**COLUMBIAN CLASP**  
for third and fourth class  
mailings

**COLUMBIAN FLAT  
MAILER**  
for large first class  
mailings

**COLUMBIAN  
AIRMAILER**  
for large air mailings

**UNITED STATES ENVELOPE CO.**  
Springfield 2, Mass.  
13 MANUFACTURING DIVISIONS  
LOCATED FROM COAST TO COAST  
See your Printer or Paper Merchant

## Every EXECUTIVE SHOULD HAVE THIS FREE BOOKLET



TELLS HOW  
TO INCREASE  
CONFIDENCE  
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POISE  
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HOW TO  
BUILD  
YOUR  
BODY  
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## How Should Taxes Be Revised?

(Continued from page 35)

and by Congress that provision should be made in the law to permit freedom in corporation re-adjustments so that the development of business should not be hampered by artificially based tax liabilities.

From the 1918 act on, to permit corporate flexibility, the so-called "reorganization" sections were included in the income tax statutes. The term "reorganization" was not employed in a technical sense but as a convenient word to cover re-adjustments between corporations and between corporation and security holder deemed to require exemption.

### Vaguely interpreted

THESE provisions, intended to facilitate enterprise, now stand befogged and partially frustrated by judicial readings into the statute of vague requirements not expressed in the statute itself. Provisions in a new law must eliminate this doubt and frustration.

Amendment of the present law is clearly required to eliminate present uncertainties; to allow a corporation to simplify its structure in a proper case by splitting of business units, making them independent, and in cases to permit partial realizations by stockholders on their investment on a capital gains basis.

To prevent frustration of the provisions of the statute, the Special Tax Study Committee created by the Ways and Means Committee suggested:

"...that section 112 (the reorganization section) be supplemented with a provision that no other conditions...not specifically expressed in the foregoing section shall be applied, unless the commissioner shall have established, by clear preponderance of the evidence, that the principal purpose of the plan...is to defeat or to avoid...taxes."

This suggestion is highly novel and of good intent, but the "unless" clause would let down the bars. A purpose of a reorganization plan is always

not to have income taxes; indeed such avoidance is the whole purpose of the reorganization section. To be thrown back on the insoluble psychological question of what is the "principal" purpose would be to score no advance.

Congress must do all it can to have its carefully drafted provisions on this intricate subject taken as written. Only so can there be freedom from crippling restraints on flexibility in the legal structure of enterprise.

Government financial operations are frequently discussed as if the interest of the "common man" was mainly or wholly in what the Government does for him in one way or another. His true interest is at least equally in what the Government does to him in the way of taxation. There is no way of providing for government helps over the years except through taxation. And there is no form of tax for vast revenues which can exempt the common man.

If financial burdens placed on the Government are greater than business, industry and the individual can bear, the Government revenue breaks down. If revenue permanently breaks down, something entirely different from that which we know in the United States would have to replace our Government.

There is no greater stake, not merely for business but for that common man, than in fair taxation—indispensable to the continuance of jobs, freedom and America in the true sense.





## Jack and Jill Fill the Till

(Continued from page 44)

has been developing engineering talent among boys from 12 to 19 by requiring them to create auto models in national competition. Winners here also get college scholarships.

Studebaker hired the Gilbert survey concern four years ago for a continuing checkup of boy and girl preferences. The company now is producing one of the most unusual of postwar models.

General Motors and others have comparable programs under way.

### Magazines for youth

STILL further recognition of Junior's new importance comes in the welter of magazines that have sprung up in recent years, slanted to teen-agers. Most spectacular of all of them is *Seventeen*, which started in 1944 and has passed the 1,000,000 mark in circulation. Without "talking down" to them, *Seventeen* has specialized in sounding out opinion of its young readers and has at its fingertips a formidable amount of information on their tastes and aspirations.

It has learned, for example, that, far from being concerned chiefly with jitterbugging and such pastimes, 69 per cent of its girl readers—probably a fair cross section of the teen-age girl population—are preparing to become housewives upon finishing school. Thirteen per cent want to work and 14 per cent want to marry and continue working.

*Seventeen* has a vast amount of other statistics which show the average teen-age girl pretty well endowed with common sense and a good perception of values. That goes for her brother, too. All of which appears to be good news to American industry. And it might get even better, because public records show that the market for tots and teen-age goods has increased 36 per cent since 1940, due to the birth increase of war days.

Whether the teen-age trend will turn out for good or bad might be in doubt, but today's mothers and dads are unlikely to attempt to change it very drastically. After all, they come of a generation that produced marathon dancers, flagpole sitters and college boys who ate live goldfish. Junior could be worse than he is.



## Just a Twist of the Wrist!

It's as easy as that, so easy that we take running water for granted. It's there . . . to be turned on or off as wanted! Yet behind this easy availability is a tremendous investment in pumping stations, purification plants, pipe lines and equipment keyed to dependability.

Fairbanks-Morse, as an important supplier to our water utilities, makes dependability its watchword in designing and building pumps that help assure an unfailing supply of this important commodity.



When it comes to pumps . . .

## FAIRBANKS-MORSE



A name worth remembering

DIESEL LOCOMOTIVES • DIESEL ENGINES • PUMPS • SCALES • MOTORS • STOKERS  
GENERATORS • RAILROAD MOTOR CARS and STANDPIPES • FARM EQUIPMENT • MAGNETOS



★ ★ ★ ★ ★ ★ ★ ★ ★ ★  
CAN YOU  
USE THIS

## Motion Picture?



You will be proud to show AMERICA & SONS, UNLIMITED . . . to your employes—to your community—to members of your chamber or trade association—to schools—and as a feature of your Program for American Opportunity.

This film relates in lyrical narrative and dramatic photography the saga of *what men can do when men are free* . . . it relates the building of a great nation through the united endeavor of its people . . . it relates the interdependence of labor and of management—of geographical areas—of population segments.

Produced by RKO—16 mm black and white—14 minutes. Prints may be rented for 5 days for \$10 or purchased for \$40.

Write today for a free descriptive brochure:

Film Division, U.S. Chamber of Commerce, 1615 H St., N. W., Washington 6, D. C.

## His Wife Woke Up



RAPID CITY DAILY JOURNAL

BECAUSE his wife couldn't sleep one Sunday afternoon, Ted Husted of Wall, S. D.—population 500—now owns one of the busiest drugstores in the world. A decade ago Husted was just



another small-town druggist. The idea of plastering the South Dakota countryside with eye-catching signs popped into Mrs. Husted's mind while she was trying to take a nap. She told her



husband about it and they whipped up a few samples. Business picked up. They placed more signs, and when soldiers from Wall went abroad they continued the plan as a joke. Husted now employs 24 clerks at the peak tourist season—and an estimated 500,000 people stop in every year.

—DAN VALENTINE



## The Road Nobody Wanted

(Continued from page 46)

over, a 150 mile an hour wind blew five freight cars off a trestle, and whisked off the tracks and ties after them. Two snow slides marooned a train for two days before snowplows could reach the famished passengers. The winter of 1946-47, worst in Alaska's outstanding weather history, was largely responsible for some part of the road being out of commission 28 days in January, 1947.

As for the moose, they are the bane of every train crew's harried existence. When a train is late, stationmasters along the line expect it to come crawling in behind an ambling herd of the animals. Rescuing a moose that has slipped down between the ties in crossing a trestle is a ticklish job, as you would know if you had ever tried to lift a 1,500 pound moose. A wrecking car with a crane is the approved method.

Alaskans are not completely acclimated to the changes that have quadrupled traffic, cut schedules two thirds, and reduced rates 35 per cent. Flying over frozen wastes at 200 miles an hour brings fewer qualms to some than riding on the railroad at the breakneck 35 miles an hour speed now permitted on the smoother stretches. But some day, Colonel Johnson hopes, they may enjoy the scenery speeding along at the 70 miles an hour of which his Diesels are capable.



"There's one nice thing about being stuck out here—we won't be bothered by people making wisecracks."

White Dot  
Safeguard, \$12.50  
Others from \$5.00

There's no other reservoir desk set in the world like the SAFEGUARD! Nor any other with SAFEGUARD'S performance! SAFEGUARD is practically unspillable! The base performs the function of a fountain pen reservoir, but holds from 30 to 50 times as much as a pocket fountain pen—so refillings are spaced over the years! Evaporation is practically nil! The 14-K gold point—replaceable and available in 4 styles—is always ready to write *instantly*—because it doesn't get gummed up! Try a SAFEGUARD by your telephone; you'll say it's the handiest yet! . . . W. A. Sheaffer Pen Company, Fort Madison, Iowa—Malton, Ontario, Canada.

FOR SALE AT ALL GOOD DEALERS THROUGHOUT THE UNITED STATES AND CANADA.

# SHEAFFER'S SAFEGUARD

*Cleanest on Earth*



# Oil—

**A** BACKWOODSMAN chancing upon one of our pioneer oil wells in Pennsylvania was greatly disturbed when its purpose was explained to him.

"Dig many more of them holes and we'll all be in trouble," he predicted.

He went on to explain to anyone who would listen that the world is a globe, that it revolves on an axle, and that nature had intended oil as grease. Drain out the oil, he warned, the axle would get hot, and the universe would go up in flame.

There is no doubt that oil makes the world go round, and that it is the United States' "axle" which is starting to smoke.

The wells we've dug from coast to coast have supplied the world with 68 per cent of the oil it has used to date. This oil has built our modern world—made cars, trucks, buses, tractors and airplanes possi-

Millions of dollars are being spent on research in synthetics

We are even drilling in the open water of the Gulf

Wells that produce from below two miles' depth are now commonplace

**THE INABILITY of nations to get together on an adequate development program is behind today's petroleum shortage**

COLLIER—STANDARD OIL COMPANY (N. J.)



# Prisoner of Man

By RUTH SHELDON

ble, as well as modernizing the world's fleets, railroads and factories. Two world wars have been won in part because of America's superior oil supply. Almost half the nation's total energy from all sources—coal, water power, etc.—comes from petroleum and its accompanying natural gas. Our prosperity and progress are more dependent upon oil than upon any other single resource.

But a simple little fact has finally caught up with us. When nature put all that oil in the center of the world, it didn't put it just under the continental limits of the United States. Taking into consideration all areas of the world where it is geologically possible for oil to exist, and applying the knowledge of oil producing history of tested areas, scientists have estimated that the world's total ultimate oil resources are about 600,000,000,000

barrels. Only one sixth of this amount lies within our boundaries, and of our estimated 100,000,000,000 barrels we have already located half and used one third.

Although billions of barrels yet remain to be discovered in the United States we have reached the critical and dangerous point where we can't find and develop our resources fast enough to supply our rapidly growing needs. This year, for the first time in our history, we have become a net importing oil nation and will continue to be one on a steadily increasing scale.

We are still the world's greatest oil producer and have even achieved the remarkable record of producing 61 per cent more than we did before the last war. But our appetite is giant-sized. We are consuming more oil than the entire world used before Pearl Harbor and, in spite of the Brobdingnagian efforts of a progressive industry, that isn't even enough for our actual needs.

In early June, the oil industry confidently stated that the oil situation was not critical. One leading executive optimistically stated that barring emergencies "no one in this country is going to have to make any important change in his way of life because of a lack of oil products."

The month was not out, however, before a congressional committee was hearing testimony that there probably will be an oil crisis this winter and "cold homes on the East Coast." Why? Because American oil companies operating in Venezuela cannot get sufficient steel to increase their production to meet our import requirements!

It is an alarming picture when the margin of our oil security is so slim that an impending crisis depends on the necessity to increase development of foreign crude oil. But what if a greater emergency arose—such as war? Our picture is so gloomy that the House Armed Services special subcommittee, which conducted an investigation into that very question from January through March this year, reported to Congress that in its view the nation's oil situation is so crit-

ical that the subcommittee considered the making of the report "an unpleasant and distasteful duty." The subcommittee heard testimony from every outstanding expert in both industry and Government and was forced to conclude that "the national defense is in a precarious position in respect to its petroleum."

## Too little oil for defense

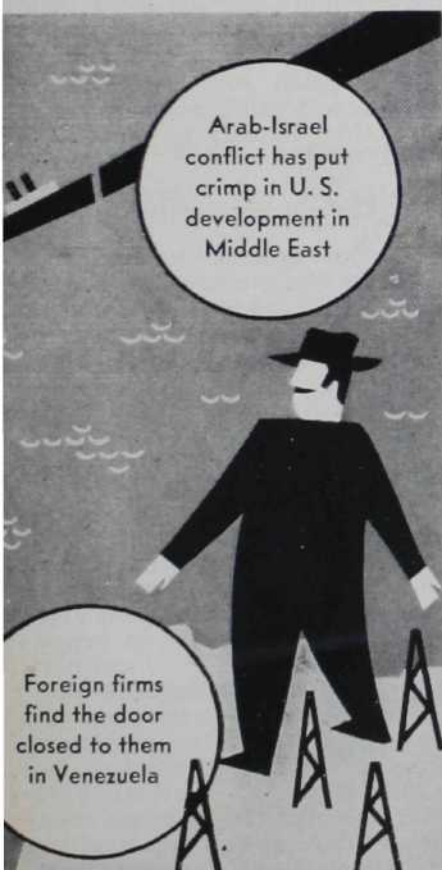
SECRETARY of Defense James V. Forrestal estimated that if war comes we will be at least 2,000,000 barrels a day short of war requirements, but the subcommittee felt after hearing all testimony that this figure would be nearer 3,000,000.

When we entered World War II we had an excess daily productive capacity of 1,000,000 barrels to draw on. But even so, remember gasoline rationing? Today we have no excess in reserve.

Since we could not even produce enough jet fuel to supply our Air Force in event of a conflict, as a top-ranking officer testified, what are we doing and what can we do to assure the nation of an adequate oil supply?

The contention of the American independent oil man is that left to himself and given sufficient steel to go about his business of drilling wells and laying pipelines, he will be able to develop ample oil for the country's needs. Admirable as may be his optimism and justified as is his need for more steel for domestic development, cold statistics do not fully support his contention. Certainly he will be able to find more oil when normal equipment conditions prevail, but the crux of the matter is—can he find enough oil fast enough to keep our reserves in balance with our withdrawals?

Our exploration experience over the past years shows that the number of dry holes is increasing and the number of large oil discoveries is decreasing. We have found the easy oil and are now concentrating on the difficult oil, boring ever deeper in our search. Wells producing from below two miles' depth





are becoming commonplace and our deepest wells reach almost three miles. We are even drilling in the open water on the Gulf Coast. The search for the last 50 per cent of our oil resources is slow and costly. This is why the oil companies themselves estimate that by 1951 we will be the world's largest oil importing country.

American companies, however, have not confined their oil-finding efforts to the United States. They have pioneered in almost every country in the world and control one third of all foreign oil reserves. These American-controlled reserves, both proven and indicated, are greater than those here at home. Lying principally in the Middle East and South America, they offer potentialities for even greater development.

This should mean that we should not have to worry about supplemental supplies to our own production. But there is more than one catch to this.

### Little being done

FOR example, American development in the Middle East, to which the center of gravity of the petroleum world has now shifted, is entangled in the Arab-Israel conflict. As a result, little is being done that would make more oil available to Europe and thereby decrease the drain on Western Hemisphere reserves.

In case of war, American and British oil holdings in the Middle East would be one of Russia's first objectives. Even if we were able to hold them or by sabotage render them useless to the Russians, they still would not be a military source of supply for ourselves.

Consequently, we must rely heavily upon South America. In terms of immediately available excess reserves for an emergency, our nearest neighbor, Mexico, is in the same fix as we are. Once the world's second largest producing country, by next year she will need to import oil to supply her own domestic needs unless she can increase her exploration and discovery rate. The oil is there, and easy oil to develop, too. But ten years ago Mexico expropriated the American and British oil companies which had made her an oil rich nation and formed a government oil company to handle development. Her steady decline since is an object lesson of the economic disaster which results from state-operated monopoly.

Argentina stopped any future development of foreign oil interests in 1934 by granting further concessions only to her govern-

ment-owned company. She has what it takes to become an oil exporting nation, but today can supply only 45 per cent of her domestic needs. Brazil, a country larger than the United States and with vast oil possibilities, doesn't even produce enough oil in a whole year to fill one tanker. Extremely nationalistic laws prevent foreign companies from exploring and developing the country. Peru and Colombia, where American and British companies have found good production with excellent prospects for more, have such inadequate and prejudicial laws that further development is stalemated.

### Fewer oil concessions

UNTIL this year Venezuela, the most northerly country of South America, was the hope of the Hemisphere. American and British investments and development have made her the world's second largest oil producing country. Venezuela alone could be the immediate source for increased production for Western Hemisphere defense. But like Mexico and Argentina, Venezuela apparently is getting ready to kill the goose that laid the golden egg. Already the Government has announced it will give out no more concessions to the foreign oil companies and that it plans to form its own government company.

It all adds up to a sorry picture of oceans of oil waiting like the sleeping princess for a prince to liberate her. But the aspiring princes are so entangled in legal disputes about who has the right to kiss her to life, and who will share the kingdom and in what proportion, that she sleeps on. In the meanwhile, the world cries for more oil. The countries where it could be developed are deprived of the great economic benefits it would bring them in all phases of their national lives, and the very safety of the Western Hemisphere is endangered.

What is needed is a set of ground rules for the 21 nations to ensure equitable and adequate development of petroleum throughout the Hemisphere. Latin America has the resources and the United States has the capital and know-how. There is no room for a dog-in-the-manger attitude on either side. Shockingly enough, this vital question of oil has not yet been the subject of any hemisphere conferences, either jointly or bilaterally.

The House Armed Services subcommittee recommended that the Department of State and our military, naval and air force represen-

tatives vigorously present the problem "in its stark reality, so that the South American leadership will realize that our position stems exclusively from facts now existing rather than from ulterior considerations which, in the past, on occasion have prevented the acceptance of our views."

The Latin American countries were insulted, so much so that an American ambassador in one of the most oil-important ones recommended to the Department of State that, from the reaction he had witnessed, as little publicity as possible should be given to such statements of American policy and position.

Uncle Sam as the constant, ardent swain of the sensitive Latin American beauty makes a pretty picture, but since, due to circumstances, the pair is already wed, for better or for worse, it is high time they settle down to the practical give and take realities of married life. The young lady would be in as bad a spot as Uncle if another war should find our planes grounded, as was the German air force in the last one—for lack of fuel.

Vulnerable as we are at the moment in case of any and all emergencies, the long-range picture can be painted in brighter colors. A nation's greatness, just as that of an individual, is based on self-reliance. This has been America's strength and will continue to be. It would be suicidal to permit ourselves to become dependent upon foreign sources of supply either for war or peace. Given a little time, happily we won't have to be.

### Output picture bright

ALL the experts' estimates of shortages are based on natural petroleum supplies. Petroleum products can be produced synthetically, however, from coal, oil shale and natural gas. We are blessed with such great reserves of these three that they could supply our full demand for petroleum products for centuries.

Since 1944 when Congress authorized the first \$30,000,000 for the creation of the synthetic liquid fuels division of the Bureau of Mines, we have made such rapid progress in research and experimentation that we could synthetically produce gasoline and other oil products within a few cents cost of those from natural petroleum. Private industry is building two plants to produce synthetic gasoline from natural gas which it expects to operate on a competitive commercial basis. Various oil com-





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panies are spending millions of dollars in cooperation with the Government on pilot plants and experiments with oil shale and coal throughout the country.

By 1954 we will need 2,000,000 barrels a day from somewhere to supplement our domestic production of natural petroleum. Government and industry already have the plans, cost estimates and know-how to be able to produce that amount synthetically. Nor would it take more steel per barrel of synthetic oil than it does for natural petroleum to do it—from exploration to finished product.

### Synthetics will come slowly

THIS would mean a vast new industry on a major scale, and such great undertakings do not mushroom overnight, or hardly in time to meet even a six-year deadline. Development will be costly and must come gradually. But synthetic oil solves the problem of where we will eventually get that essential supplementary supply of petroleum products which spells our security for national defense and freedom from the economic bondage of foreign oil.

However, the synthetic oil of tomorrow can't power the jet planes of today or heat homes on the East Coast this winter. Until we have developed our synthetic industry we must continue to rely upon foreign sources of crude to supplement our own production.

The primary reason why our domestic oil industry grew great and powerful enough to supply the majority of the world's needs was because it was given the freedom to search for and develop oil, unhampered by arbitrary governmental restrictions or discriminatory laws.

Every country in the world which does not provide this climate of freedom for growth has not seen development of its natural resources. Those which have temporarily given it have seen it; but the second it has been taken away or reduced, economic decline and decay have inevitably set in.

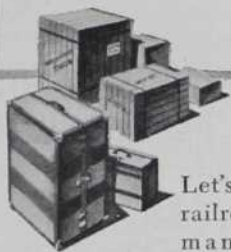
Latin America, the logical and strategic source for our joint increasing hemisphere needs and immediate security, is not providing the necessary democratic freedom of climate for today's essential development.

Our problem is to convince these neighbors of the necessity and the joint benefits of an open-door policy.

For in the final analysis, oil is not a prisoner of the earth's rocks but of the laws men make.



## Suppose America depended on this kind of "common carrier"



Let's suppose that railroads had *only* man power — no equipment whatever — and that their employees had to transport America's freight on their backs.

If each railroad employee *could* carry on his back 75 pounds of freight 15 miles a day, to move a ton of freight one mile would cost, at present wage rates, \$18.45. This means that *your individual* freight bill on the things *you consume* would amount to \$84,473.69 per year.

But actually, of course, the railroads provide each worker with \$20,265 worth of such "tools" as cars and engines and the tracks on which they run. These tools so greatly multiply the transportation output of each worker that the average charge to the public for moving a ton of freight one mile is only 1 1/3¢.

So it's easy to see how important it is to everyone in America that the railroads have the best equipment available.

Right now, railroads are adding new locomotives... freight cars...

passenger trains... signals... rail... all sorts of improvements just as fast as they can get them.

To keep on improving America's rail transportation system, the railroads must be allowed to earn enough to supply their workers with even more and better "tools." Only in this way can they continue to provide the low-cost, efficient transportation so essential to the very life and prosperity of our nation.

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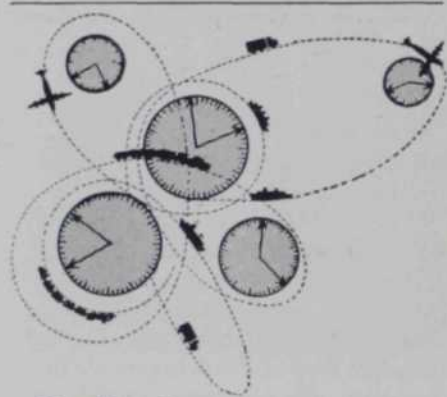
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# On the Lighter Side of the Capital



## Leading to a sad foot

THIS paragraph is only the first part of the story.

Candidate Dewey and his boys are earnestly trying to figure out just how many of the 2,105,700 civilian employees of the Government can be turned out to pasture if the Republican ticket should be successful in November.

"Maybe you don't know how solidly they are blocked in," said one of the D.P.C. (Dewey Planning Commission).

"92 per cent of them are protected by Civil Service and can only be removed for cause, or by a cut in appropriations. Try and figure out how long it would take to put the finger on those of the 2,000,000 plus who are no good."

If Congress blocked the money line the chiefs of the innumerable bureaus would do the firing.

"Entirely surrounded by congressmen bleeding to death," said the D.P.C. man.



## A test tube inquiry

HE WAS reminded of conversations once held with congressmen by Sir Willmott Lewis, the Washington correspondent of the *London Times*, and a devoted student of American political history. American money bills must originate in the House. In England all money bills originate with the Crown—the executive branch of the Government—and are passed or refused by the House of Commons.

"That's the way it should be," was the verdict of the Americans. "The Executive should state its needs and the legislative branch grant whatever money the country could afford. A superb system. The two branches of government kept rigidly apart."

There being no dissenting voice,

Sir Willmott asked why not begin work on the slow process of amending the Constitution and so making the better plan possible?

"Lord, no," replied every man. "I'd never be re-elected."

## New headache coming up

THE MAN who is nearest to President Truman was haggard as though he owed money to a gangster. Or maybe he is not the nearest to the President. There are so many nearest. He was asked:

"How is the Little Man?"

That is a term of endearment often used around the White House, and not one of depreciation. The nearest man said the President was feeling bully. If he, the nearest man, had the troubles that any President has at all times he would feel like jumping off the bridge. But the President enjoys himself.

The President once expressed surprise at this. He said he was having a darned good time.

"New headache every day. But I can always sleep it off."

## Bipartisans on the fence

ONE of the present headaches is the Socialist Government of Great Britain.

Some of the men responsible for our bipartisan foreign policy are beginning to fear that the aid we are giving Britain is being devoted to the needs of the political government rather than to that of the country.

"The multiplicity of regulations and barriers and interferences by government with trade is actually making it more difficult for Britain to get back on her feet. And for every delay and tanglefoot America pays."

The speaker is one of our bipartisan experts. He says that, when our election is over, there will be some bipartisan hell-to-pay.

No matter which side wins, he said, the first months of the Eighty-



First Congress and the Executive will be pretty awful:

"All the umbrellas broken and everybody praying for rain."

### Pappy Shaw's new idea

AT THE AGE of 92, George Bernard Shaw has had another thought. Or he has put a new dress on an old look. For some reason, perhaps related to the cussedness he has always shown about money, no editor on this side has picked it up, but the London *Times* gave it a good ride. Shaw thinks we need a new dictionary:

"We don't understand each other—"


Note that this is not a quotation. It is only the rendering of Shaw's apparent statement in English into a limping, ineffective, bug-headed phrase in the American dialect and there isn't a nickel's worth of royalty to be coaxed out of it. Shaw could state whatever it is he thinks far more eloquently but at his rate per syllable the readers of *NATION'S BUSINESS* will just have to get along with whatever it is he thinks. It is not possible to translate an English phrase into French and preserve the meaning to the Englishman. An Englishman, born and bred in France, might understand the precise meaning of a sentence to a Frenchman but when he tries to render it into English he will always miss.

### Third war on the way

SHAW suggests that the third world war may be on the fire right now because the nations do not understand what the other nations are saying. Russia and France and Germany and the United States and all the little nations are talking to each other, presumably with all the will in the world to keep out of another bloody mess but in fact may be talking themselves right into trouble.


Let it be understood that from this point on not even the words are Shaw's. His words cost too much and they have no resale value. What follows is only an impression of the meaning of Shaw's words as addressed to whatever friends he may have. He seems to have warned that:

"We'd better look a little out. We're talking ourselves right into a misery. The Allies of World War I borrowed money from the United

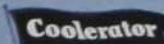


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ONE NICE THING about the real estate business is that property is always worth something—in bad times as well as good, and a good salesman can usually earn his salt. Of course, like other kinds of selling, it can be downright drudgery—or it can be fun.

In my case, though I don't whistle while I work, I find it fun. It's always easier to sell property in a wide-awake community that's going places than in one that's marking time.

That's one reason why I joined my local chamber. I wanted to do my part in making my town that sort of place—one where people want to live, where schools are good and where business thrives.

Sure my membership in the chamber has helped my business some—and made it more enjoyable. But more than that I have the satisfaction of knowing that I'm doing my part in building a community everyone can be proud of.

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States to pay the costs and welshed on her. Not being able to understand what the other fellow was saying we got into World War II and the United States is still paying for it. If World War III comes along the United States won't pay. She can't afford it."

**Yoo hoo, Europe—Lookee!**

THE Washington Taxpayers' Association looks like a pretty harmless organization. Its aim is to



keep a sort of temperate eye on taxes. When the costs of being governed get a little burdensome it suggests ways of slipping a blanket

under the saddle. It even thinks of economies.

Rufus Lusk, president, informed its members:

"I am enclosing a copy of a letter to the Commissioners in reference to one-man police cars. Might save \$500,000."

He also enclosed a statement that, on the advice of counsel, he had registered as a lobbyist. He had discussed this with officials of the Department of Justice. A member of the Association brooded:

"If men trying to keep down taxes are lobbyists, so what is my pastor who tries to keep me out of the Fire Everlasting?"

**Sure profit in potatoes**

BEING in possession of incredible quantities of subsidized potatoes, the Administration has been smuggling them into West Virginia.

"What will you pay us for potatoes?" the Administration asked in effect. "Lovely spuds. Bake 'em, boil 'em, fry 'em in ham fat. Name your own price."

So the cagey inhabitants of West Virginia have been buying potatoes for a cent a sack and dumping them into their rivers and selling the sacks back to the Administration for 15 cents.

**A model for politicians**

WHICH recalls the story told by David Lilienthal about the Georgia sheriff who was running for reelection and was being heckled by his opponent:

"How about those questions I asked you?" shouted the heckler.

"I'm not going to answer them," the sheriff replied. "I'm giving you a frank answer. I'm going to evade 'em."



## Hollywood Starts Over

(Continued from page 49)

much dazzling attention for their stars and personalities as they can. Toward this end, they diligently cultivate the gossip columns, the fan magazines and the whole phenomenon of Hollywood journalism. The daily behavior of their people is made grist to the glamour-writers' mills. And, when colorful behavior is lacking, it is often invented for them.

However, with movie manufacturing concentrated in one place and with the people circulating in this community being inclined toward exhibitionism, at that, there is not much necessity for invention.

Ostentation becomes commonplace and competition for attention is unreserved and keen. It is small wonder, then, that departures from the norm of domesticity and good taste are frequent and undisguised occurrences. Brawls, divorces, flashy weddings and such, as well as fantastic social shindigs, become a part of the local scene and, although they are far from typical of the activities of all, the public is given the impression, through journalistic prominence, that they are.

### Hard-working folks

IN FACT, the sober irony is that most of the people in Hollywood—and in the motion picture business—are normal, hard-working folks. There are able and talented craftsmen, genuine artists at inconspicuous jobs and earnest theater operators who have the interests of their communities at heart. It is notable that seldom does anyone from the executive side of the business get mixed up in scandal or in glamour publicity.

A major promotion executive explains simply:

"We have not publicized the serious and responsible people in the industry because those people don't sell tickets."

It is just as frank as that.

This brings up another and fundamental point: what we call "the public" is not a single and uniformly responsive group. It is split into many elements, as any public relations man knows. And whereas there plainly is an element which is fascinated, stimulated or amused by reports on the latest Hollywood romance or by front

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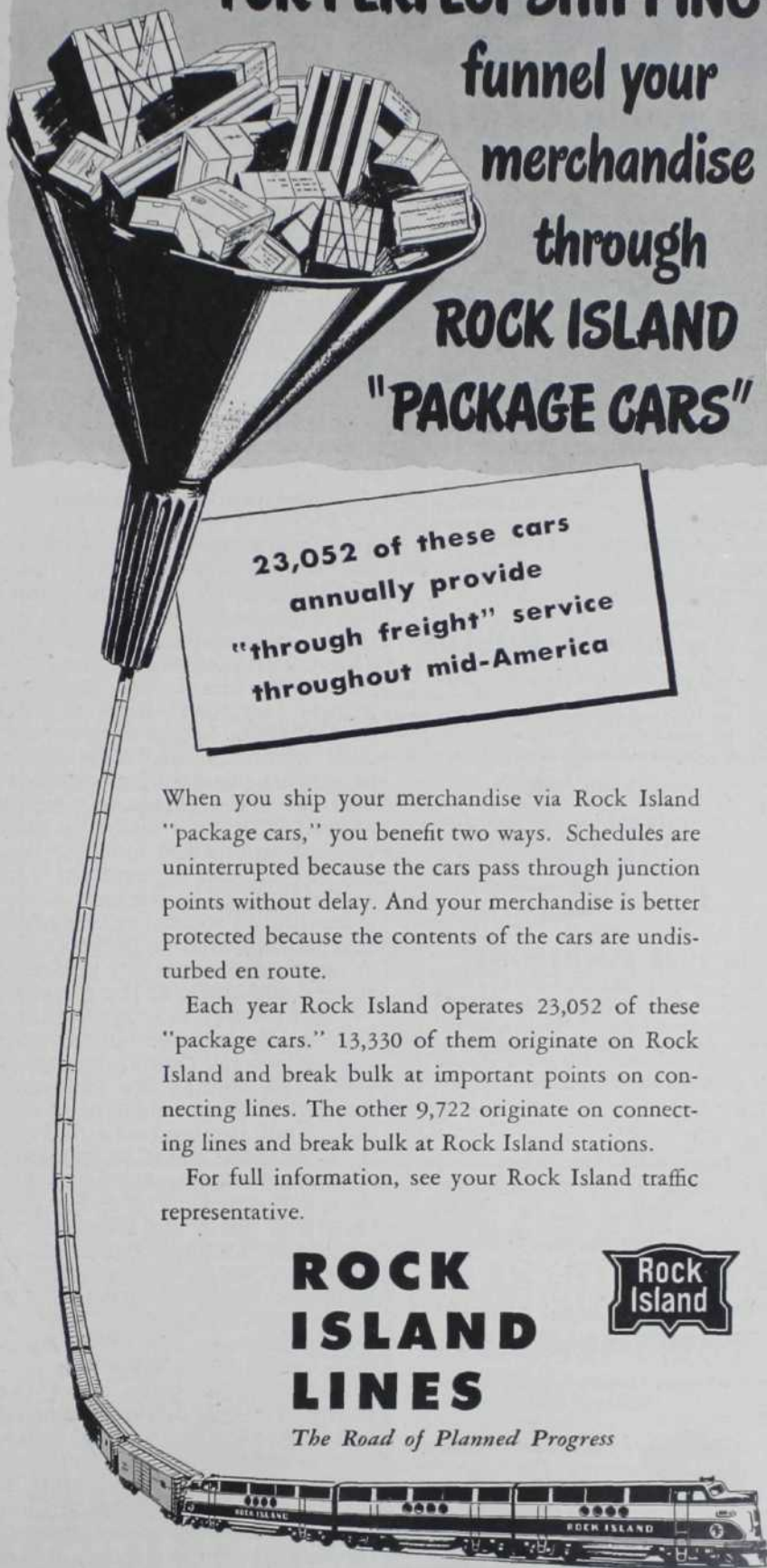
When you ship your merchandise via Rock Island "package cars," you benefit two ways. Schedules are uninterrupted because the cars pass through junction points without delay. And your merchandise is better protected because the contents of the cars are undisturbed en route.

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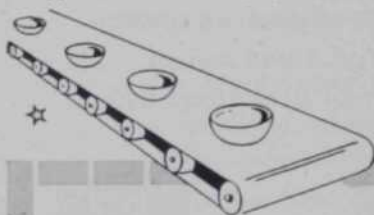
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page details of night club fights, there is another and probably larger segment which finds such trivia of no consequence. Whereas the former element is generally youthful and socially immature, as indicated by the fact that more than two thirds of movie-goers are less than 30 years old, the latter, majority element unquestionably forms the dominating opinions in this land.

Thus, while the Hollywood press agents make their daily publicity to lure a particular audience they inevitably set a tone of frivolity and insincerity for all of Hollywood. This might not be too disturbing if some concrete program of restraint and public disavowal of the occasional excesses were found. But these, which seem to be spontaneous, now go uncontrolled and are the major provocations of public shock and disrespect.

## Censure is uncommon

ACTUALLY, it would be possible for the studios individually to take steps against any of their "name" people whose personal conduct becomes embarrassing. In virtually every artist's contract—the "artists" being the actors, directors, writers and such—there is what the Hollywood people wryly refer to as a "morals clause." This clause, in varying phraseology, stipulates that the artist agrees to conduct himself with "due regard to public conventions and morals," that he will not do or commit "any act or thing that will tend to degrade him in society or bring him into public hatred, contempt, scorn or ridicule" or cause any prejudice against his studio or the industry.

Yet it is rare—very rare—that a "morals clause" is actually invoked against anyone. This is not only because the studios are extremely tolerant in their judgment of violations but also because a real loss in investment might be incurred. A lot of money and expectations are usually tied up in a star, in a top-flight writer or director. To dismiss or discipline one of these, especially while in the midst of making a picture, might cost a staggering amount.

It is interesting to recollect, however, that Adolph Zukor was prevailed upon to shelve all of the "Fatty" Arbuckle pictures which he had at the time that scandal broke, thus sacrificing untold profits for the sake of the industry's repute. It is interesting, too, to observe that it was on the basis of the "morals clause" that the contracts of five of the artists convicted of contempt

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of Congress after the Washington hearings were suspended.

This latter move was intended to re-establish public confidence in the movies after that bad experience. But subsequent opinion was that the move was, at best, a half measure which failed to do fundamental good. Perceptive men in the industry are now pretty well aware that it is the public's generally skeptical attitude toward the movies and movie people that renders them vulnerable. They perceive that, in times of crisis, their house is built upon sands.

### Working for confidence

ALERT to this basic peril, industry leaders are now giving thought to ways in which they can bolster esteem and confidence. Under the leadership of Maurice Bergman, director of advertising for Universal-International, a public information committee of the Motion Picture Association is at work planning an industry-wide program of self-explanation. First on the list is that a survey be made to determine what the public likes—and doesn't like—about movies.

Within the Motion Picture Association there is a forward-looking element, led by Eric Johnston, which holds that the industry should also be constructive in advancing the educational use of films. Right now the Association makes available many old films, especially edited for classroom utilization, as a public relations enterprise, and a program of short films promoting Americanism is being sponsored and advanced.

Already the Theater Owners of America, taking matters into their own hands under the guidance of Theodore Gamble, are waging a vigorous campaign to promote community appreciation for the movie theaters and they are making a variety of contributions to the drive against juvenile delinquency. A public service-minded theater is one of the best advertisements for the industry and a socially responsible exhibitor can do much for prestige, they feel.

In the long run, of course, the character of the industry will be advanced by improvement in the quality of product, which is likely to be compelled by the gathering of competition. As this improvement occurs, there is no question that the character of exploitation will change. It is in this coming period that the institution of the motion picture must be "sold" for its contribution to human enjoyment and spiritual nourishment.

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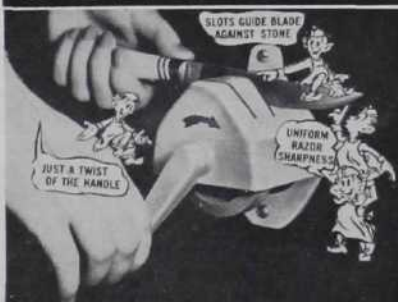
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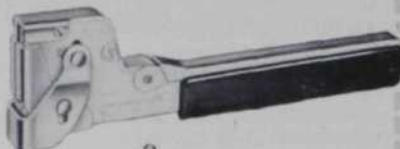
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## Europeans Are People, Too

(Continued from page 41)

they belong back in the '90's and have all the smells and general dinginess that a railroad station infested with coal-burning locomotives ought to have. Prowling around the Caledonian station in Edinburgh, I stopped at a gate to watch a train depart.

There at last was a dour Scot. The guard stood literally glowering at me until I started to slink away guiltily; whereupon he smiled suddenly, and in the broadest sort of accent he said, "Hae ye been to the Castle?" He was just another friendly Scot who wanted to be sure that a visiting American overlooked nothing.

I HAVE NEVER been a particular lover of lakes. But that was before I had seen the lakes of England. Here there is peace and serenity and rugged beauty. Here we heard the marvelous song of the English blackbird, and here, too, we first met the water wagtail—introduced to him by a delightful couple from the south of England whom we met there. At 72, the gentleman, a Mr. Whitefield, displayed a boyish enthusiasm for the beauty of the region, and both he and his wife helped us to an acquaintance with the wild flowers and birds. He surprised me with an odd hobby: The weather. Especially the weather of the United States. He has never visited this country, but he knows the climate and the local conditions of every section.

Yet it was not all pastoral charm among the lakes. Concern is expressed there, too, about the state of the world and the state of England. The proprietor of one hotel called me to one side and assured me that the greatest mistake the United States ever made was to advance the loan to Britain three years ago. He was equally gloomy about the wisdom of the Marshall plan: "The people of England have not gotten down to reality since the war, and will not do so until the United States stops loaning or granting money."

The speaker was especially bitter about the socialization program of the British Government. He told

me of the many difficulties they had experienced in operating the hotel, because of the greatly increased wages and because of the attitude of the hotel staff toward their jobs, and toward the management.

Incidentally, it was noticeable that, in making these comments, he glanced about carefully, even crossing the hall and peering down a corridor to make sure that no members of the staff overheard his comments.

But not all employers need be so apprehensive. Our driver, for instance, was courteous, handsome, a veteran. One of the things about him that impressed us was his loyalty to his employer. He worked for Scott's garage; and as we were leaving he asked me—what do you suppose? That I would say a kind word about him to his employer? Not at all! With some hesitation, and with apologies for "miking so baould," he asked me if I would mind saying a good word to the American Express Company for Mr. Scott! He said his employer was a fine man and that all of the fellows who worked for him were pulling for him.



"Anybody here got No. 2002 in the office pool?"

ON THE TRAIN from Edinburgh to Carlisle we shared a compartment with the wife of a British major. In addition to an assortment of bundles, she had with her one infant and one two-year-old—both girls.

As usual, my wife and I were freezing, there being no heat in the train. Mrs. Major, having tucked the infant in its basket, proceeded to bed down the two-year-old on the seat beside me—and in the process her first act was



to strip off both shoes and stockings so that the child lay with its bare toes fairly blue with cold. Yet it slept peacefully.

As the train pulled into the station at Carlisle, I followed the custom of sticking my head out of the window and shouting for a porter. If you are lucky, the porter wheels his cart up beside the window and you heave your baggage to him. No porter was in sight, so my wife and I grabbed such luggage as we could handle and went struggling down the aisle and onto the platform. I intended to get a porter and rush back for the rest of our baggage. But as I turned back up the car steps I encountered little Mrs. Major obligingly lugging one of our biggest pieces of baggage! You can't stay mad long at that kind of people.

IN LONDON I found that Europeans are just as much worried about us as we are about them. In their minds the great problem today is the American problem. Do we mean what we say? Are we really world-minded? How far will we go with Marshall plan aid? How liberal will we be? And, especially among the realists, how helpfully tough will we be? Above all, which way are we going with our economy—further toward governmentalism, or toward the maintenance of initiative and production under freedom? Their concern is with us. Witness Harold Wilson, president of the Board of Trade:

"Why talk about the attitude of Parliament toward the Trade Charter?" he inquired. "Why be concerned about what France will do—or any other nation? Whether we have an International Trade Organization or not depends on just one thing: 'What will be done by the Congress of the United States?'"

AT DINNER one night I sat beside Captain Fraser of London. He said: "Are you proud of being an American?"

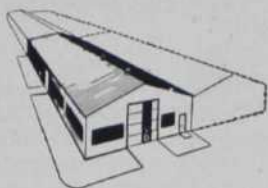
I saw that he was driving at something beyond the question, so I replied, "Consider that I have waved the flag and said yes—and go on from there."

He studied his fork a moment and then said quizzically, "When I was a young man I was forever thumping my chest because I was a British subject—empire, the white man's burden, and all the rest of it. Now I wonder. Don't get me wrong—I'm a thorough Britisher and when I sing 'God Save the King,' I mean it. But our burdens have become so great, our problems so enormous and our opportunities so

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restricted that the exuberant pride I once felt at just being a Britisher is now tempered almost to extinction by a realization of the appalling problems with which we are faced."

"We have a problem or two in the United States," I reminded him, "a little matter of \$253,000,000,000 of debt—plus a few other things."

"Yes," he replied, "and that's what I am driving at. Is your pride of American citizenship beginning to be diluted somewhat by a consciousness of the burdens you assumed when you took over world leadership?"

IN BRITAIN, as elsewhere, there is much concern among business people about the way the Marshall plan is to be administered. Most people agree that some such aid to Europe was necessary. Their concern is that it be administered "realistically." Conservative Britons are reluctant to see the Labor Government be given any sort of Marshall plan opportunity at further "socialistic experiments." On the other hand, the government people we talked with seemed to have a keen understanding that Marshall plan aid is but a drop in the bucket and that it is up to Europe to save itself.

Sir Frank Newson-Smith was Lord Mayor of London in 1943-44. At present he is a magistrate of the city and president of the London Chamber of Commerce. He and his daughter entertained us at a small luncheon party in the Savoy.

In the course of the party this rich, honored and influential man told us that the greatest single need of his household was for a little bit of cooking fat; and his daughter told me that in maintaining their country home—a house of many rooms and extensive gardens—she had to apply to the local office of the Ministry of Labor for a decision as to the number of persons she might employ as domestic help. Incidentally, she was allowed one all-purpose housemaid and one gardener.

FROM LONDON we went to Amsterdam. There, at a luncheon, a bit of fortuitous symbolism appeared. Seated at the right of American Ambassador Dr. Herman Baruch was the former Netherlands Ambassador to the United States Dr. A. Loudon. In serving one of the courses a waiter had brushed a tray against Dr. Baruch's shoulder, leaving a slight smudge of meringue or crumbs. Dr. Loudon said, "Doctor, you have something on the shoulder of your coat."

Looking sideways at his own shoulder, Dr. Baruch said, "Well . . . I must have been up against something."

Thereupon Dr. Loudon took his napkin and carefully brushed off the offending particles.

I could not help but think—yes, Doctor, we have all been up against something; and we all have something on our shoulders—not a few crumbs, but an intolerable burden. Perhaps if we will all just brush a little in fraternal fashion we can help each other get rid of it.

IN HOLLAND one important business man took me aside and said, "We hope that America will be a tough banker in this business of aid to Europe. Unless the aid is given on a straight business basis, the hoped-for recovery will not materialize."

He also agreed, as did practically everyone we met, with U. S. Chamber of Commerce President Shreve's oft-repeated assertion that so far as possible the aid should be so administered as to stimulate transactions between individual business concerns rather than between governments.

IN BRUSSELS we met five ministers of the Belgian Government, including Monsieur Moens de Fernig, minister of food and supplies, and who is to be in charge of the ECA for Belgium. He told me that he was entirely in sympathy with the idea of channeling American aid so as to develop private enterprise.

We met also Monsieur Eyskens, finance minister of Belgium, and a delightful personality. He reminded us that Belgium has already lent 13,000,000,000 Belgian francs to neighboring countries, including France and Great Britain! He told us that Belgium had some grave reconstruction problems arising from the war—but added whimsically that all the Belgians loved their finance minister!

MY IMPRESSION of Paris remains much the same as it was last year. To be sure there is a much greater feeling of hope because of the Marshall plan prospects. Certainly there is greater stability among industrial labor. The franc is now 300 to the dollar on the so-called "free rate," and there is still a considerable inflation—although the latter is not so bad this year for the American purse because of the increased rate of exchange. I was told that in spite of militant governmental precautions there is an ac-



tive black market in francs. One American ex-patriate woman told me she wouldn't think of buying anything in Paris unless they would allow her at least 450 francs to the dollar.

IT WAS a welcome relief from the economic problems of Europe to get away for a few days to Switzerland. Aside from the inspiration of lakes and mountains, it seemed to me that the experience of the Swiss may offer hope and encouragement to those of us who at times are inclined to despair about the world situation.

Here is a country not only of contrasts, but of conflicts. First, there is the barrier of four different languages: German, French, Italian and, up in the high Grisons, Romansh. Then there is the religious schism—a sharp and often bitter division between the Catholic and Protestant elements. There are sectional differences—jealousies among the cantons. The mountaineers and cheesemakers of the Glarus Valley are just as distrustful of the industrial citizens of Zurich as any Tennessee mountain man is of a city slicker from Memphis. The German-speaking people don't like the French, and vice versa. Neither of them love the Italians.

What then is it that holds this strange, polyglot people together? Just one basic thing—a passionate love of freedom. However much they may distrust one another, they know that their one hope lies in maintaining national strength and unity.

I would not oversimplify or over-idealize their situation, but there is a sense in which Switzerland is the world in miniature. I came away with a kind of belief, a sort of hope, that if those remarkable people can maintain a free mountain fortress through the centuries, perhaps we need not wholly despair that the nations of the world will yet find the way to peace.

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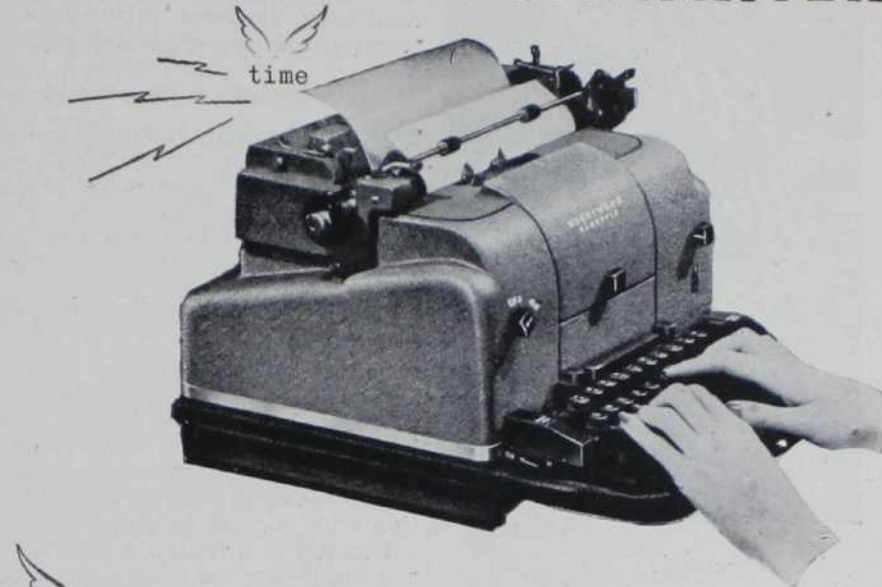
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## The First Year of Taft-Hartley

(Continued from page 52)

grievance to be handled by a referee whose decision shall be final.

In this connection it is apparent that cooperating employers and unions can and do get together on an "unsatisfactory" employe, undoubtedly, in some instances, in violation of the employe's rights.

### Complaints start actions

MANY questionable arrangements being agreed on by the employer and the union may work along without causing either any trouble. But whenever a worker complains that he has been the victim of an unfair labor practice, then both the union and the employer may be adjudged liable.

The NLRB does not police the relations between the unions and the employes in the sense that it may initiate proceedings where there may seem to be illegal conduct. The Board may not move in any situation until it receives a petition for action on a question concerning representation or union shop or maintenance of union election, or until it receives a valid charge of an unfair labor practice.

There has been a great deal of discussion about the check-off provisions of the act, and efforts to circumvent it have been varied. The law stipulates that the employer cannot withhold dues without the written authorization of the employe and that this authorization cannot be made irrevocable for a period longer than the life of the union contract or one year, whichever is shorter. However, the Department of Justice, which has charge of enforcement of this provision, has ruled that authorizations for check-off of initiation fees, dues and assessments may be made irrevocable for longer periods with proper escape clauses.

Many unions and employers are playing rather loosely with even this more lenient interpretation in spite of the fact that violations of check-off provisions call for a fine of \$10,000 or a year's imprisonment, or both.

The most ingenious arrangement that I know of is one in which the employer pays the worker with two checks, one of them the exact amount of his union dues. A worker so paid is hard put to find an excuse when a union officer waiting by the pay window asks for his dues.

Some unions are holding the use

of the union label over the employer's head. Many concerns regard exhibition of the label as an outstanding incident to their product—especially is it highly regarded in many parts of the commercial printing industry. The law makes no attempt to regulate the union label, but the union holds it on a stout string, so that it can jerk it away if the employer should so far forget himself as to hire a non-union man. The Taft-Hartley Act doesn't mention this as an unfair labor practice.

The union liability provisions of the act have inspired another kind of activity. Although there have been efforts to limit the amount for which a union might be sued—Trial Examiner Howard Myers has ruled that a limitation of \$25 was illegal—or to confine the liability to the local union, union lawyers for the most part have sought ways to conform with the spirit and the letter of the law without complete abandonment of union tradition.

### Employers start few suits

ACTUALLY, in spite of earlier fears of unionists that employers would rush to make all grievances—real or imaginary—the basis for law suits, this provision has been infrequently used. Certainly some suits were originated. Perhaps some judgments were rendered, although I cannot recall any.

But after the first wave, such suits have disappeared almost entirely. I cannot help but feel that the unions were needlessly apprehensive. Employers realize that the union is an established institution; that they must learn to live with it, and that it is easier to live with a union in a spirit of cooperation and friendliness.

This sort of attitude among employers, and union acceptance of contractual obligations, such as Philip Murray, president of the Steelworkers and CIO, demonstrated when he insisted that the no-strike provisions of the steelworkers' contract be observed, are the things that will make our labor contracts worth-while instruments. The Taft-Hartley Act, unlike the Wagner Act, is not aimed at any particular class or group. It is not a cure-all for poor labor relations. It is not a manual for the conduct of industrial relations either from the standpoint of labor or management. But it is an excellent guide of what not to do.



# By the Way...

By R. L. DUFFUS



## My private business index

I GET MOST of my information about the state of retail business from the peanut butcher on one of my regular trains. If he seems to be doing well I hitch my private index of retail trade up a notch or two. The other evening he announced, as usual: "Nothing sold after train leaves station." Then, as he got to the far end of the car, he added: "Very little sold before train leaves." But just then a man bought a sandwich (ham on rye) and some ice cream and the situation was saved. I predict a good fall and winter for retail business.

## "Barge wanted"

I AM ALWAYS WANTING to live on things that float (though I do love my home), and my latest enthusiasm is barges. This is because (1) I recently saw a play laid, in part, on a very attractive barge; (2) I quite often see barges. The people in the play were having bad trouble until the final curtain. The people on the real barges, so far as I could tell from hasty glimpses, had few troubles, but their barges were not so well fitted out as the one in the play. If I have to choose



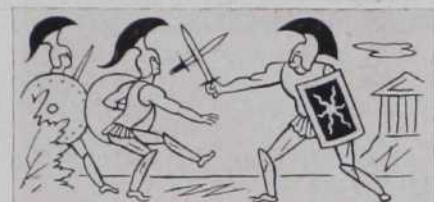
I think I will take a plain sort of barge and no trouble, rather than a barge with hot and cold running water, electric lights and a guest room, and trouble. After all, one can heat water in a tea kettle, and it will run all right if tipped.

When such plans are discussed in our family we always invite Petunia, the affable Duffus cat, to participate. Petunia has consented to live on a barge if we will put those metal things on the hawsers, when in dock, that keep rats, and I suppose mice, from going ashore. I said this would also keep them

from coming aboard. She replied that Nature would take care of that; she would regard the barge as a personal hunting preserve and try to balance reproduction and consumption. If anybody knows of a nice barge, preferably not a coal barge, we hope he will kindly let us know.

## Horatius would be busy

WHEN I WAS A SCHOOLBOY I learned about how Horatius kept the bridge across the Tiber in the brave days of old. He kept it against



the Tuscans under, I believe, Lars Porsena. Macaulay's ringing verses filled my soul with delight:

Through teeth and skull and helmet

So fierce a thrust he sped,

The good sword stood a hands-breadth out

Behind the Tuscan's head.

(I quote from a memory of long, long ago, without looking the poem up.) I thought this was a fine thing for Horatius to do, and never asked myself how I would have felt if he had done that to me. And now I read that Rome has just completed its nineteenth bridge across the Tiber; and I think it is just another case of carrying a good thing too far. It is going to take nineteen Horatiuses to keep Lars Porsena out of Rome, or one Horatius nineteen times as busy.

## Dukes have their uses

WORD HAS COME from England that John Albert Edward William Spencer-Churchill, tenth Duke of Marlborough and second cousin of a more famous but less titular Churchill, can toss raspberries into the air and catch them in his mouth every time. This makes me feel better about dukes, of whom

I don't generally approve, because if anybody can be a duke just by being born, why can't we all—why can't I? I can now see that the Duke of Marlborough is a kindred spirit to a clergyman I once knew who could perform the same trick, although it was his custom to do it with lemon drops. He subsequently became an economist and could juggle figures and predict the way the market would go, but not with the same accuracy. Earlier still in my career I had the honor of being acquainted with a boy who could put a lighted match in his mouth (at least this is what he appeared to be doing) and take it out, still lighted. We always hoped he would catch fire, but he never did. What we need, I believe, is more people like these, to keep the conversation from becoming too serious. I would like to get the duke and the other two together.

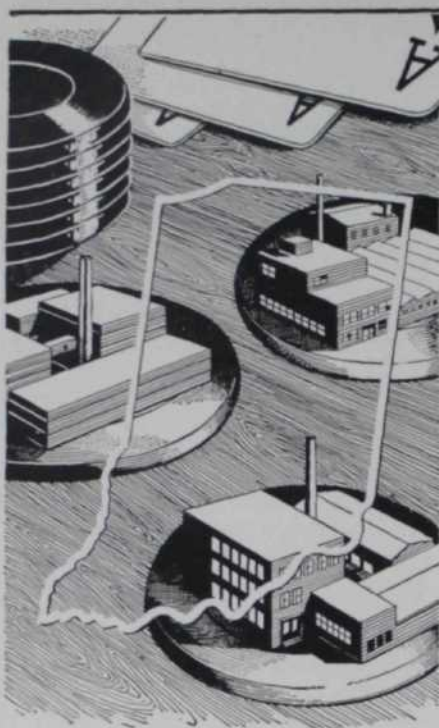
## Simple stamps

I HAVE A STAMP COLLECTOR in my family and therefore sympathize with those who run panting to the post office every time a new issue comes out. Still, I often long for the good old days when stamps were green, blue or red and small enough so that you did not wear your tongue out licking them, and you didn't need a course in American history to tell the two-centers from the three-centers.

## The right age

OUR HOME TOWN railway station, on one of summer's waning, lovely days, was full of a musical sound. It was a twittering, all in one pitch and key, not excited and shrill, but rather sweet and satisfied. "I know what it's like!" exclaimed the lady who puts up with my disposition. "Birds! Birds of passage! Birds that have lighted in a patch of woods somewhere on their way south, and are talking over their experiences!" It turned out to be children—a group from the Big City who were being put on the train after a country holiday, to be met by their parents. They had been scattered among families in our town who liked children and didn't have any, or didn't have enough. They had had two weeks of the outdoors, with flowers and trees to look at, and days at the beach, and—even in this strange summer—lots of sunshine. Each had gained weight. Each felt frisky. Each had a little box of treasures—bird's nests, sea shells and so on, whatever it is that children pick up under such circumstances. When I heard of this I made an





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entry in my notebook: "Children of a certain age, too old to cry in public and too young to play baseball, sound like birds." They don't stay that way, but how good it is, in this troubled world, to know that there are always some at just that stage.

## The jelly sandwich case

A MAN IN NEW JERSEY got a divorce this summer because, so the newspapers said, his wife gave him jelly sandwiches in his lunch box. What he wanted was a sandwich two inches thick, with a slab of meat in the middle. But I suspect his wife meant to be kind to him. She thought jelly sandwiches were just dandy. Men and women don't like the same things. Women like sprays of parsley, men don't. Women like cake, men prefer pie. Women like chicken croquettes, men like corned beef and cabbage. Women don't care as much for doughnuts as men do, nor for peanuts, either, nor for boiled onions, nor for hot cakes drowned in maple syrup. Women generally like things that are good for them, men don't. I do not propose to do anything about this but it did seem to me I ought to call attention to it. We need variety in this world and in this case we have it.

## Money to burn

THE UNITED STATES TREASURY burned up \$5,000,000,000 worth of currency last year. Benton C. Gardner, who directed these operations for 46 years, retired this summer. But I was also interested in Edgar Gary, Jr., who shovels the worn-out money into the incinerator. I wonder if Gary dreams at night of what he could buy with what he burns. Probably not. Probably he gets as tired as though he were shoveling coal and sleeps the dreamless sleep of a useful and hard-working man. I wish the Government would let me have about a bushel of worn-out \$100 bills. I have thought up ways of using them.

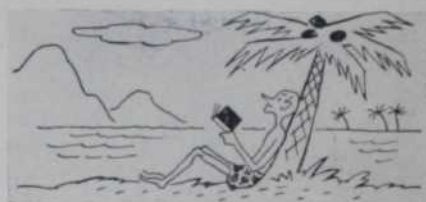
## Investment in good will

GOOD WILL has always seemed to me one of the romantic features of modern business, even though it can be bought and sold like potatoes. A certain corporation recently rejuvenated my wife's fountain pen. For this service it charged \$1.50. Then it went on to remark that since my wife had not actually authorized this large expense she could, if she wanted to be literal about it, settle for the 35 cents

customarily charged for "a simple correction of a functional deficiency." Of course she paid the \$1.50 and of course she felt as though she were paying only 35 cents. I think the corporation made about \$87.32 in good will out of that transaction—which will help it materially if it ever wants to sell out and retire.

## Paradise of the Pacific

I BELIEVE most American soldiers, sailors and marines who took part in the Pacific war came home resolved to spend their declining years somewhere else than on a



South Sea island. But American Samoa, as described in a report to the United Nations, might make even a veteran change his mind. Taxes come to \$5 a year for each adult male, which would seem to mean that no income tax return has to be made out. A wage earner can live lavishly on \$18.46 a week, but 90 per cent of the population does not care to earn wages. It can fish, which is fun, and it can get taro, bapanas, breadfruit, yams and coconuts with little effort. There is only one radio to each 120 inhabitants, which when one wishes to sleep may seem a good thing. I trust these facts will not be too widely bruited about. I would like to find a coconut palm or two still unclaimed when I retire to Samoa.

## Delayed in transit

ARMY DREDGERS in the Delaware River below Philadelphia have brought up part of the cargo of a sunken ship. This cargo was a little late in getting into port. It included pewter dishes, silver shoe buckles, copper tea kettles and two-pronged forks, but the consignees were not at the dock to receive it; they had left for parts unknown nearly 200 years ago. And styles have changed. Hardly anybody eats with a two-pronged fork, and it has been ever so long since any man wore silver shoe buckles. So the recovered cargo of about 1750 goes into the museums, just as would what was left of a 1948 ship's cargo if it were dredged up in the year 2146. One generation's necessities and luxuries are often



a later generation's curios. The things that might suit us as well today as they did our predecessors in 1750 are things that didn't and couldn't last. If we could have the good roast beef of 1750 at approximately four cents a pound I imagine we wouldn't think it quaint.

## Spring or fall

WHEN IT IS FALL here it is spring in, I think, New Zealand. Anybody could have spring the year round if he were free to travel to where it is. Or fall, either. I think I might choose fall—frost on the pumpkin, and haze on the horizon, and big red moons and the feeling of wanting, as the old phrase had it, to git up and git. But I don't believe we would enjoy either spring or fall to the limit if each were not, so to speak, relatively scarce.

## John G. Uncas reappears

OUR GARDENING on our suburban fraction of an acre is nearly over for the year. Soon about all that will be left to do will be to strew leaves or hay over the what-you-call-'ems and thingumbobs that have bloomed so prettily in their seasons. Our family is well adjusted for gardening—my wife can make things grow and I can stop them from growing. She is the constructive type, I the destructive. When I weed I pull up everything, weeds included. My task is the



heavier, for we are fairly well treed in and everything in the nature of a bush or shrub will grow with alarming speed. I have lopped and trimmed until my arms ached, but I do believe the forest is gaining on us. In this southern New England climate it is always trying to do so. Abandoned pasture land of a generation ago is wooded enough to get lost in now; I know because I have done it. I do not know what became of the Indians who once lived around here, but I suppose they would grow back, too, if they had a chance, displacing the commuters and country visitors. I think I saw one at the bottom of our garden the other day—an Indian named Uncas, John G. Uncas, after his great-great-grandfather. But when I went down to look he wasn't there.

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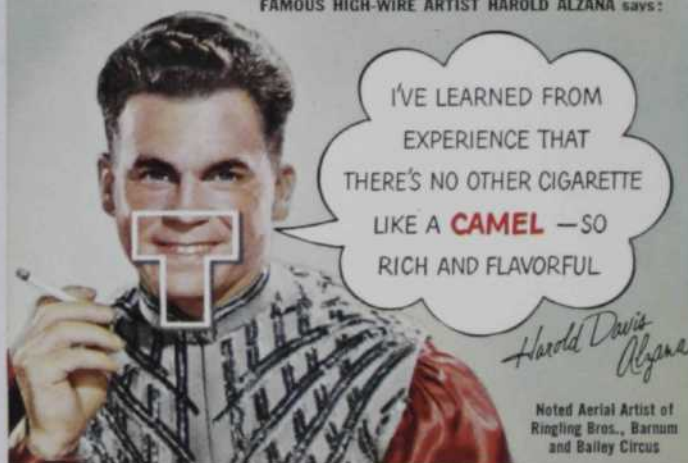
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